



**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Emergency Management Agency
Van Wert County
1220 Lincoln Highway - Box 602
Van Wert, Ohio 45891

To the Members of the Board:

We have audited the accompanying financial statements of the Emergency Management Agency, Van Wert County, (the Agency) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Agency prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Agency as of December 31, 2000 and December 31, 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2001, on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 10, 2001

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**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>
Cash receipts:	
Intergovernmental	\$66,750
Miscellaneous	<u>2,017</u>
Total cash receipts	<u>68,767</u>
Cash disbursements:	
Salaries and Benefits	44,032
Supplies	178
Equipment	265
Contractual Services	9,262
Advertising	2,400
Miscellaneous	<u>2,651</u>
Total program disbursements	<u>58,788</u>
Total receipts over/(under) program disbursements	9,979
Fund cash balance January 1, 2000	<u>14,689</u>
Fund cash balance, December 31, 2000	<u><u>\$24,668</u></u>
Reserve for encumbrances, December 31, 2000	<u><u>\$42</u></u>

The notes to the financial statements are an integral part of this statement.

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>
Cash receipts:	
Intergovernmental	\$66,750
Miscellaneous	472
	<hr/>
Total cash receipts	67,222
	<hr/>
Cash disbursements:	
Salaries and benefits	42,253
Supplies	506
Equipment	4,816
Contractual services	9,668
Tower relocation	3,260
Cost allocation plan	3,351
Miscellaneous	6,587
	<hr/>
Total program disbursements	70,441
	<hr/>
Total receipts over/(under) program disbursements	(3,219)
Fund cash balance January 1, 1999	17,908
	<hr/>
Fund cash balance, December 31, 1999	<u>\$14,689</u>
Reserve for encumbrances, December 31, 1999	<u>\$108</u>

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000-1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Van Wert County Emergency Management Agency (EMA, the Agency) was organized under Section 5915.06 of the Revised Code to establish a program for a county wide emergency management operations. The EMA has a seven member executive committee and a director that is responsible for organizing, administering, and operating emergency management in accordance with the agency's established program.

The EMA's management believes these financial statements present all activities for which the EMA is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Van Wert Auditor acts as the fiscal agent for the Agency and the Agency's cash is held and invested by the County Treasurer who is the custodian of the Agency's monies. The Agency's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Agency uses fund accounting to segregate cash and investments that are restricted as to use. The Agency classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

E. Budgetary Process

The Agency budgets its fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. The Agency annually approves appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Agency reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Agency.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 was as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$71,000	\$68,767	(\$2,233)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$71,000	\$58,830	\$12,170

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$65,750	\$67,222	\$1,472

**EMERGENCY MANAGEMENT AGENCY
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999
(Continued)**

2. BUDGETARY ACTIVITY (continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$69,925	\$70,549	(\$624)

3. RETIREMENT SYSTEMS

The Agency officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Agency contributed an amount equal to 13.55% of participants' gross salaries. The Agency contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The District has paid all contributions required through December 31, 2000.

4. RISK MANAGEMENT

The Agency has obtained commercial insurance for the following risks:

- Commercial Property Coverage
- Commercial General Liability
- Commercial Inland Marine

The Agency also provides health, dental and life insurance through Van Wert County's policy with the Midwest Employee Benefit Consortium, a risk-sharing pool.

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One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Emergency Management Agency
Van Wert County
1220 Lincoln Highway - Box 602
Van Wert, Ohio 45891

To the Members of the Board:

We have audited the accompanying financial statements of the Emergency Management Agency, Van Wert County, (the Agency), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Agency in a separate letter dated April 10, 2001.

This report is intended for the information and use of the audit committee, management, and the members of the Board, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 10, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

EMERGENCY MANAGEMENT AGENCY

VAN WERT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 24, 2001**