



**Auditor of State
Betty Montgomery**

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

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**Auditor of State
Betty Montgomery**

Dayton Regional Hazardous Materials Response Team
Montgomery and Greene Counties
444 West Third Street
Dayton, Ohio 45402

To the Hazardous Materials Advisory Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

November 6, 2005

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Dayton Regional Hazardous Materials Response Team
Montgomery and Greene Counties
444 West Third Street
Dayton, Ohio 45402

To the Hazardous Materials Advisory Board:

We have audited the accompanying financial statements of the Dayton Regional Hazardous Materials Response Team, Montgomery and Greene Counties, (the Response Team), as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Response Team's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Response Team has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Response Team to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. While the Response Team does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Response Team has elected not to reformat its statement. Since this Response Team does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the year ended December 31, 2004 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Response Team as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Dayton Regional Hazardous Material Response Team, Montgomery and Greene Counties, as of December 31, 2004 and 2003, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Response Team to include Management's Discussion and Analysis for the year ended December 31, 2004. The Response Team has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2005, on our consideration of the Response Team's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

November 6, 2005

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	General
Cash Receipts:	
Dues & Memberships	\$102,237
Incident Reimbursements	3,223
Earnings on Investments	620
	106,080
Total Cash Receipts	106,080
Cash Disbursements:	
Current:	
Personnel	65,996
Utilities/Maintenance	4,792
Administrative	6,418
Training and Education	137
Field Supplies/Equipment	10,089
Other	89
	87,521
Total Cash Disbursements	87,521
Total Receipts Over/(Under) Disbursements	18,559
Fund Cash Balance, January 1	109,227
	109,227
Fund Cash Balance, December 31	\$127,786

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

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General
Cash Receipts:	
Dues & Memberships	\$84,432
Incident Reimbursements	11,280
Earnings on Investments	1,088
	96,800
Total Cash Receipts	96,800
Cash Disbursements:	
Current:	
Personnel	68,853
Utilities/Maintenance	7,374
Administrative	7,752
Training and Education	452
Field Supplies/Equipment	4,580
Other	54
	89,065
Total Cash Disbursements	89,065
Total Receipts Over/(Under) Disbursements	7,735
Fund Cash Balance, January 1	101,492
Fund Cash Balance, December 31	\$109,227

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

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Dayton Regional Hazardous Materials Response Team, Montgomery and Greene Counties, (the Response Team), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

By Memorandum of Understanding, the Response Team is formally affiliated with the Miami Valley Regional Planning Commission in order to:

- Emphasize the “regional” concept of the Team;
- Provide a higher level of public accountability to the Team’s operations;
- Provide a formalized oversight/input mechanism for local elected officials to the Board;
- Provide an intergovernmental forum for dealing with Haz-Mat concerns.

The Response Team will take MVRPC’s comments into consideration when finalizing operational policy and making operational decisions. However, the Response Team will retain ultimate decision-making authority.

The Response Team is directed by an appointed twenty member Advisory Board. One board member is appointed by each political subdivision within the Response Team. The organizations that provide appointed members are: the City of Dayton Fire Department, the Haz-Mat Response Team, Greene County Fire Chief Association (2 members), Greene County Emergency Management, Greene County Law Enforcement, Greene County Sheriff’s Office, Greene County Township Trustees Association, County Mayors and Managers Association, Miami Valley Fire/EMS Alliance, Montgomery County Fire Chiefs Association (2 members), Montgomery County Office of Emergency Management, Montgomery County Police Chiefs Association, Montgomery County Sheriff’s Office, Montgomery County Township Trustees Association, Miami Valley Regional Planning Commission, Private Sector, Technical Expertise Group, and Wright Patterson Air Force Base. The Response Team provides emergency services such as the cleanup of chemical spills.

Through December 31, 2004, the Miami Valley Fire/EMS Alliance acted as the fiscal agent for the Dayton Regional Hazardous Materials Response Team.

The Response Team’s management believes these financial statements present all activities for which the Response Team is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Auditor of State prescribes.

C. Cash and Investments

The accounting basis includes investments as assets. Accordingly, investment purchases are not recorded as disbursements, and investment sales are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Response Team uses fund accounting to segregate cash and investments that are restricted as to use. The Response Team classifies its fund as follows:

1. General Fund

The General Fund is the general operating fund.

E. Budgetary Process

The Response Team is not considered a subdivision under Ohio Rev. Code, Section 5705.01, subject to 5705. The Response Team prepares an annual budget for submission to the Advisory Board at the annual, fourth quarter Board meeting. The budget is approved for the following fiscal year. The Response Team also submits monthly reports comparing budgeted and actual activity.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

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. Accumulated Leave

In certain circumstances, such as upon leaving employment, an employee is entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Response Team's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Response Team maintains cash used by its fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	<u>2004</u>	<u>2003</u>
Demand deposits	\$127,786	\$109,227

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM
MONTGOMERY AND GREENE COUNTIES**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
General	\$94,163	\$106,080	\$11,917

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
General	\$106,485	\$87,521	\$18,964

2003 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
General	\$85,853	\$96,800	\$10,947

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
General	\$105,875	\$89,065	\$16,810

4. RETIREMENT SYSTEMS

The Response Team's employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, 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 2004 and 2003, PERS member employees contributed 8.5% of their gross salaries. The Response Team contributed an amount equal to 13.55% of participant's gross salary. The Response Team has paid all contributions required through December 31, 2004.

5. RISK MANAGEMENT

The Response Team's political subdivisions carry errors and omissions insurance for their appointed members. Through December 31, 2004, errors and omissions insurance for the Response Team Coordinator was carried through the Montgomery County Fire/EMS Alliance.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Dayton Regional Hazardous Materials Response Team
Montgomery and Greene Counties
444 West Third Street
Dayton, Ohio 45402

To the Hazardous Materials Advisory Board:

We have audited the financial statements of the Dayton Regional Hazardous Materials Response Team, Montgomery and Greene Counties, (the Response Team), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated November 6, 2005, wherein we noted the Response Team followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Response Team's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Response Team's management dated November 6, 2005, we reported other matters involving internal control over financial reporting we did not deem to be reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Response Team's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Response Team's management dated November 6, 2005, we reported a matter related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management and the Advisory Board and is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 6, 2005



**Auditor of State
Betty Montgomery**

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DAYTON REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM

MONTGOMERY 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
DECEMBER 1, 2005**