



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Emergency Management Agency
Champaign County
2380 U.S. 68
Urbana, Ohio 43078

To Members of the Executive Committee:

We have audited the accompanying financial statements of Emergency Management Agency, Champaign County, (the EMA) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the EMA'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 *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 EMA 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 combined fund cash balances of the Emergency Management Agency, Champaign County, as of December 31, 2001 and 2000, and its combined 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 19, 2002 on our consideration of the EMA'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 management, Executive Committee, 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 19, 2002

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$47,479	\$20,134	\$67,613
Miscellaneous	678		678
Total Cash Receipts	48,157	20,134	68,291
Cash Disbursements:			
Current:			
Salaries/Benefits	13,495	1,344	14,839
Supplies	748		748
Repair/Maintenance	2,860		2,860
Equipment/Capital Outlay	14,294	6,696	20,990
Utilities	5,596		5,596
Rentals/Leases	3,383		3,383
Miscellaneous	124	12,303	12,427
Total Disbursements	40,500	20,343	60,843
Total Receipts Over/(Under) Disbursements	7,657	(209)	7,448
Fund Cash Balances, January 1	161,560	16,343	177,903
Fund Cash Balances, December 31	\$169,217	\$16,134	\$185,351

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

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$48,346	\$11,757	\$60,103
Miscellaneous	2	675	677
	<hr/>		
Total Cash Receipts	48,348	12,432	60,780
Cash Disbursements:			
Current:			
Salaries/Benefits	12,440		12,440
Supplies	795		795
Repair/Maintenance	3,559		3,559
Equipment/Capital Outlay	2,439		2,439
Utilities	4,330		4,330
Rentals/Leases	4,531		4,531
Miscellaneous	430	21,819	22,249
	<hr/>		
Total Disbursements	28,524	21,819	50,343
	<hr/>		
Total Receipts Over/(Under) Disbursements	19,824	(9,387)	10,437
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Fund Cash Balances, January 1	141,736	25,730	167,466
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Fund Cash Balances, December 31	\$161,560	\$16,343	\$177,903
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The notes to the financial statements are an integral part of this statement.

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Emergency Management Agency, Champaign County, (the EMA) was organized under Ohio Revised Code Section 5502.26 to establish a program for county wide emergency management operations. The EMA has a nine member executive committee appointed by a county wide advisory group. The executive committee consists of a county commissioner, seven chief executives representing the municipal corporations and townships and one non-elected representative. The executive committee appoints 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. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The EMA had the following significant Special Revenue Funds:

Emergency Preparedness Fund – A state and federal reimbursement grant to be expended on emergency management expenditures related to terrorism training.

Civil Defense Fund – A state and federal reimbursement grant to be expended on emergency management expenditures.

Special Emergency Planning Fund – A state grant to prepare Champaign County for hazardous emergencies. These funds are administered under the Local Emergency Planning Committee.

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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.

E. 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 EMA.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Champaign County Auditor acts as the fiscal agent for the Emergency Management Agency and the County Treasurer maintains a cash and investment pool used by all County funds. Because of the nature of the pool, all County funds are commingled; therefore the risk involved and the preferential claim of the EMA cannot be determined.

The Champaign County Auditor's records indicated the EMA's cash balances as of December 31, 2001 and 2000, were \$185,351 and \$177,903, respectively.

3. RETIREMENT SYSTEMS

The EMA's employees belong 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The EMA contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The EMA has paid all contributions required through December 31, 2001.

4. RISK MANAGEMENT

The EMA has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The EMA also provides health insurance and dental and vision coverage to full-time employees through Champaign County's policy with Millennium Care Administrators, a third party administrator.



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

Emergency Management Agency
Champaign County
2380 U.S. 68
Urbana, Ohio 43078

To Members of the Executive Committee:

We have audited the accompanying financial statements of the Emergency Management Agency, Champaign County, (the EMA), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 19, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the EMA'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 are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the EMA'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 EMA in a separate letter dated April 19, 2002.

Emergency Management Agency
Champaign County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the management and the Executive Committee, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 19, 2002



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CHAMPAIGN COUNTY EMERGENCY MANAGEMENT AGENCY

CHAMPAIGN 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 14, 2002**