



**EMERGENCY MANAGEMENT AGENCY
SHELBY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**EMERGENCY MANAGEMENT AGENCY
SHELBY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Emergency Management Agency
Shelby County
800 Fair Road
Sidney, Ohio 45365

To the Members of the Executive Committee:

We have audited the accompanying financial statements of the Emergency Management Agency, Shelby 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 described 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, Shelby 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 January 25, 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 management, the 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

January 25, 2002

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**EMERGENCY MANAGEMENT AGENCY
SHELBY 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$160,340	\$22,030	\$182,370
Miscellaneous	6,505		6,505
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	166,845	22,030	188,875
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries & Benefits	69,118		69,118
Supplies	8,893	2,793	11,686
Equipment/ Capital Outlay	57,105	4,529	61,634
Contracts & Repair	2,629	8,000	10,629
Utilities	12,896		12,896
Hazmat	14,636		14,636
Miscellaneous	8,905	7,728	16,633
	<hr/>	<hr/>	<hr/>
Total Disbursements	174,182	23,050	197,232
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(7,337)	(1,020)	(8,357)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	12,718	50,586	63,304
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$5,381</u>	<u>\$49,566</u>	<u>\$54,947</u>

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

**EMERGENCY MANAGEMENT AGENCY
SHELBY 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$117,631	\$26,570	\$144,201
Miscellaneous	690	23	713
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	118,321	26,593	144,914
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries & Benefits	71,502		71,502
Supplies	6,605	1,728	8,333
Equipment/ Capital Outlay	3,181	382	3,563
Contracts & Repair	9,321	8,000	17,321
Utilities	11,310		11,310
Hazmat	10,366		10,366
Miscellaneous	7,382	8,246	15,628
	<hr/>	<hr/>	<hr/>
Total Disbursements	119,667	18,356	138,023
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(1,346)	8,237	6,891
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	14,064	42,349	56,413
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$12,718	\$50,586	\$63,304
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**EMERGENCY MANAGEMENT AGENCY
SHELBY 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, Shelby County, (the EMA) was organized under Ohio Revised Code Section 5915.06 to establish a program for a county wide emergency management operations. The EMA has a seven member executive committee appointed by a county wide advisory group. The executive committee consists of a county commissioner, five 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 that are restricted to expenditure for specific purposes. The EMA had the following significant Special Revenue Funds:

Fire and Rescue Fund

Money received as donations to be expended on EMA fire and rescue units.

Hazmat Fund

Money received as donations to be expended on the EMA Hazmat unit.

**EMERGENCY MANAGEMENT AGENCY
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Emergency Planning Fund

A state grant to prepare Shelby County for hazardous material emergencies. These funds are administered by the EMA under an agreement with the Local Emergency Planning Committee (LEPC).

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 Shelby 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 comingled, the risk involved and the preferential claim of the EMA cannot be determined.

The Shelby County Auditor's records indicated the EMA's cash balances as of December 31, 2001 and 2000, were \$54,947 and \$63,304, respectively.

3. RETIREMENT SYSTEMS

The EMA's full-time 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, members contributed 8.5% of their gross salaries. The EMA contributed an amount equal to 13.55% of participants' gross salaries. PERS temporarily reduced employer contributions 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 provides health insurance, and dental and vision coverage are available to full-time employees through Shelby County's policy with the Midwest Benefit Consortium, a risk sharing pool.



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

Emergency Management Agency
Shelby County
800 Fair Road
Sidney, Ohio 45365

To the Members of the Executive Committee:

We have audited the financial statements of the Emergency Management Agency, Shelby County, (the EMA) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated January 25, 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 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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the EMA in a separate letter dated January 25, 2002.

Emergency Management Agency
Shelby 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

January 25, 2002



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EMERGENCY MANAGEMENT AGENCY

SHELBY 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
MARCH 7, 2002**