



**Auditor of State
Betty Montgomery**

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

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Governmental Fund Type – For the Year Ended December 31, 2002.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Governmental Fund Type – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

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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, 2002 and 2001. 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 *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 Response Team 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 balance of the Dayton Regional Hazardous Materials Response Team, as of December 31, 2002 and 2001, 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 August 4, 2003 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 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, the Advisory 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.

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

Betty Montgomery
Auditor of State

August 4, 2003

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General
Cash Receipts:	
Dues and Memberships	\$74,853
Incident Reimbursements	3,796
Interest	2,067
Other Revenue	3,103
Total Cash Receipts	83,819
Cash Disbursements:	
Current:	
Personnel	57,369
Utilities/Maintenance	2,080
Administrative	5,827
Training and Education	929
Field Supplies/Equipment	5,341
Response Vehicles	5,534
Capital Equipment	11,932
Total Disbursements	89,012
Total Receipts (Under) Disbursements	(5,193)
Fund Cash Balance, January 1	106,685
Fund Cash Balance, December 31	\$101,492

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
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General
Cash Receipts:	
Dues and Memberships	\$75,646
Incident Reimbursements	3,959
Interest	3,658
Intergovernmental Revenue	199,846
Other Revenue	117
Total Cash Receipts	283,226
Cash Disbursements:	
Current:	
Personnel	29,906
Utilities/Maintenance	2,019
Administrative	10,376
Training and Education	600
Field Supplies/Equipment	202,938
Response Vehicles	4,362
Total Disbursements	250,201
Total Receipts Over Disbursements	33,025
Fund Cash Balance, January 1	73,660
Fund Cash Balance, December 31	\$106,685

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, 2002 AND 2001**

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 for 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 organization that provide appointed members are: the City of Dayton Fire Department, the Haz-Mat Reponse 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, 2002, the Miami Valley Emergency Management Authority 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 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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments 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, 2002 AND 2001
(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:

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.

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. This budget is approved for the following fiscal year. The Response Team also submits monthly reports comparing budgeted and actual activity.

A summary of 2002 and 2001 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, employees are 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 a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2002	2001
Demand deposits	\$19,279	\$25,926
Investments:		
STAR Ohio	82,213	80,759
Total deposits and investments	\$101,492	\$106,685

Deposits: Deposits are insured by the Federal Depository Insurance Corporation,

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$75,702	\$83,819	\$8,117

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$101,900	\$89,012	\$12,888

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$276,017	\$283,226	\$7,209

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$277,278	\$250,201	\$27,077

4. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$278	5.20%

The Response Team financed the purchase of a vehicle. The note was issued on January 2, 1998 in the amount of \$16,673 and is secured by the vehicle.

5. RETIREMENT SYSTEMS

The Response Team'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 2002 and 2001, PERS member employees contributed 8.5% of their gross salaries. The Response Team contributed an amount equal to 13.55% of participants' gross salaries. The Response Team has paid all contributions required through December 31, 2002.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RISK MANAGEMENT

The Response Team's political subdivisions carry errors and omissions insurance for their appointed members. Through December 31, 2002, errors and omissions insurance for the Response Team Coordinator was carried through the Miami Valley Emergency Management Authority. Vehicle insurance is carried through the City of Trotwood.

7. SUBSEQUENT EVENTS

On January 1, 2003, the Miami Valley Emergency Management Authority, the Response Team's fiscal agent, was dissolved. The Miami Valley Fire/EMS Alliance assumed the responsibilities of providing fiscal agent services to the Response Team.



Auditor of State Betty Montgomery

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

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

To the 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, 2002 and 2001, and have issued our report thereon dated August 4, 2003. 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 Response Team'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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Response Team in a separate letter dated August 4, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Response Team'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 certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Response Team in a separate letter dated August 4, 2003.

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Dayton Regional Hazardous Materials Response Team
Montgomery and Greene Counties
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the management and the Advisory Board, and is not intended to be and should not be used by 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

August 4, 2003



**Auditor of State
Betty Montgomery**

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DAYTON REGIONAL HAZ MAT 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
SEPTEMBER 23, 2003**