



Mary Taylor, CPA
Auditor of State

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

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Mary Taylor, CPA
Auditor of State

Emergency Management Agency
Champaign County
1512 S. US Highway 68
Suite C103
Urbana, Ohio 43078

To the Executive Committee:

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 an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Agency 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 adverse 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.

Mary Taylor

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Auditor of State

March 11, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Emergency Management Agency
Champaign County
1512 S. US Highway 68
Suite C103
Urbana, Ohio 43078

To the Executive Committee:

We have audited the accompanying financial statements of the Emergency Management Agency, Champaign County, (the Agency) as of and for the years ended December 31, 2009 and 2008. 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 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 Agency 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.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Agency's larger (i.e. major) funds separately. While the Agency does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require government's to reformat their statements. The Agency has elected not to follow GAAP statement formatting requirements. 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 statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Agency as of December 31, 2009 or 2008, or its changes in financial position for the years then ended.

Also, 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, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Agency 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 March 11, 2010, 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 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

March 11, 2010

**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, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$76,976	\$60,180	\$137,156
Contract Fees	7,000		7,000
Other Revenue	501		501
Total Cash Receipts	<u>84,477</u>	<u>60,180</u>	<u>144,657</u>
Cash Disbursements:			
Current:			
Salaries/Benefits	64,897		64,897
Supplies	2,591	1,050	3,641
Equipment	12,559	44,241	56,800
Contract Services		9,169	9,169
Training		7,846	7,846
Travel and Meeting Expenses	130		130
Repairs	3,102		3,102
Communications	1,629	4,000	5,629
Utilities	5,210		5,210
Miscellaneous	1,487		1,487
Total Cash Disbursements	<u>91,605</u>	<u>66,306</u>	<u>157,911</u>
Total Receipts Over/(Under) Disbursements	(7,128)	(6,126)	(13,254)
Fund Cash Balances, January 1	<u>191,585</u>	<u>26,847</u>	<u>218,432</u>
Fund Cash Balances, December 31	<u>\$184,457</u>	<u>\$20,721</u>	<u>\$205,178</u>

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, 2008**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$73,826	\$104,780	\$178,606
Contract Fees	7,000		7,000
Other Revenue	91		91
Total Cash Receipts	<u>80,917</u>	<u>104,780</u>	<u>185,697</u>
Cash Disbursements:			
Current:			
Salaries/Benefits	62,372		62,372
Supplies	888	188	1,076
Equipment	486	51,925	52,411
Contract Services		17,281	17,281
Training		9,401	9,401
Travel and Meeting Expenses	88		88
Repairs	2,137		2,137
Communications	2,093		2,093
Utilities	3,047		3,047
Miscellaneous	5,024		5,024
Total Cash Disbursements	<u>76,135</u>	<u>78,795</u>	<u>154,930</u>
Total Receipts Over/(Under) Disbursements	4,782	25,985	30,767
Fund Cash Balances, January 1	<u>186,803</u>	<u>862</u>	<u>187,665</u>
Fund Cash Balances, December 31	<u>\$191,585</u>	<u>\$26,847</u>	<u>\$218,432</u>

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, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Emergency Management Agency, Champaign County, (the Agency) was organized under Ohio Revised Code Section 5502.26 to establish a program for countywide emergency management operations. The Agency has a nine member executive committee appointed by a countywide 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 Agency's management believes these financial statements present all activities for which the Agency is financially accountable.

B. Accounting Basis

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

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code permits, the Champaign County Treasurer holds the Agency's cash as the Agency's custodian. The County holds the Agency's assets in its investment pool, valued at the Treasurer's reported carrying amount.

The Champaign County Auditor's records indicate the Agency's cash balances as of December 31, 2009 and 2008 were \$205,178 and \$218,432, respectively.

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:

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 account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Agency had the following significant Special Revenue Funds:

Homeland Security Fund – A state and federal reimbursement grant to be expended on emergency management expenditures related to terrorism training. These funds are administered under the Homeland Security Committee.

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

E. Property, Plant, and Equipment

The Agency records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. RETIREMENT SYSTEMS

The Agency's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Agency contributed an amount equaling 14% of participants' gross salaries. The Agency has paid all contributions required through December 31, 2009.

3. RISK MANAGEMENT

Commercial Insurance

The Agency has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles.



Mary Taylor, CPA

Auditor of State

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

Emergency Management Agency
Champaign County
1512 S. US Highway 68
Suite C103
Urbana, Ohio 43078

To the Executive Committee:

We have audited the financial statements of the Emergency Management Agency, Champaign County, (the Agency) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 11, 2010, wherein we noted the Agency 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 Agency's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Agency'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*.

We did note a certain matter not requiring inclusion in this report that we reported to the Agency's management in a separate letter dated March 11, 2010.

We intend this report solely for the information and use of management and the Executive Committee. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

March 11, 2010



Mary Taylor, CPA
Auditor of State

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
APRIL 1, 2010**