



**Auditor of State
Betty Montgomery**

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Emergency Management Agency
Auglaize County
201 Willipie Street, Suite G-8
Wapakoneta, Ohio 45895

To the Executive Committee:

We have audited the accompanying financial statements of the Emergency Management Agency, Auglaize County, (the Agency), as of and for the years ended December 31, 2002 and December 31, 2001. 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 *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 Agency 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 and reserves for encumbrances of the Agency as of December 31, 2002 and December 31, 2001, 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 28, 2003, 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 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.

Emergency Management Agency
Auglaize County
Independent Accountants' Report
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This report is intended solely for the information and use of the management and 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.

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

Betty Montgomery
Auditor of State

April 28, 2003

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Fees Charged to Subdivisions	\$36,652	\$12,780	\$49,432
Grants	28,384	63,748	92,132
Local Sources	12,500		12,500
Other Receipts	3,124	959	4,083
	<u>80,660</u>	<u>77,487</u>	<u>158,147</u>
Cash Disbursements:			
Salaries	44,096		44,096
Supplies	2,261	2,920	5,181
Equipment	7,234	77,551	84,785
Contracts - Services	10,971	100	11,071
Travel	1,001		1,001
Public Employee's Retirement	5,698		5,698
Worker's Compensation	182		182
Medicare	624		624
Hospitalization	9,274		9,274
Other	5,042		5,042
	<u>86,383</u>	<u>80,571</u>	<u>166,954</u>
Total Receipts Over/(Under) Disbursements	<u>(5,723)</u>	<u>(3,084)</u>	<u>(8,807)</u>
Fund Cash Balances, January 1	<u>37,100</u>	<u>26,278</u>	<u>63,378</u>
Fund Cash Balances, December 31	<u>\$31,377</u>	<u>\$23,194</u>	<u>\$54,571</u>
Reserve for Encumbrances, December 31	<u>\$207</u>	<u>\$0</u>	<u>\$207</u>

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

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE 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:			
Fees Charged to Subdivisions	\$36,304	\$13,468	\$49,772
Grants	25,480		25,480
Local Sources	19,850		19,850
Other Receipts	2,545		2,545
	<u>84,179</u>	<u>13,468</u>	<u>97,647</u>
Cash Disbursements:			
Salaries	38,156		38,156
Supplies	2,773		2,773
Equipment	28,062		28,062
Contracts - Services	7,131		7,131
Travel	587		587
Public Employee's Retirement	4,597		4,597
Worker's Compensation	850		850
Medicare	542		542
Hopitalization	5,508		5,508
Other	4,080		4,080
	<u>92,286</u>		<u>92,286</u>
Total Receipts Over/(Under) Disbursements	<u>(8,107)</u>	<u>13,468</u>	<u>5,361</u>
Fund Cash Balances, January 1	<u>45,207</u>	<u>12,810</u>	<u>58,017</u>
Fund Cash Balances, December 31	<u>37,100</u>	<u>26,278</u>	<u>63,378</u>
Reserve for Encumbrances, December 31	<u>\$72</u>	<u>\$0</u>	<u>\$72</u>

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

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Emergency Management Agency, Auglaize County, (the Agency) 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. The Agency is directed by a twenty four member Advisory Committee pursuant to Ohio Revised Code Section 5502.26, and is responsible for the development of a county-wide emergency operation plan and the appointment of a Coordinator who is responsible for coordinating, organizing, administering, and operating emergency management in accordance with the Agency's plan.

The Agency's management believes these financial statements present all activities for which the Agency 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Auglaize County Auditor acts as fiscal agent for the Agency as required by Ohio Revised Code. The Auglaize County Treasurer is the custodian of the Agency's cash. The Agency's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

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 are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Agency had the following significant Special Revenue Funds:

Hazardous Material Response Team Fund – funding received through subdivision assessments to be used to equip the response team.

Terrorism Grant Fund – funding received through federal grants for the equipping of the Agency for responding to terrorism activity.

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

Although there is no legal requirement to prepare a budget, the Agency budgets each fund annually.

1. Appropriations

The Executive Committee annually approves appropriations and subsequent amendments. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Agency reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The County Treasurer maintains a cash and investment pool used by all County funds. The carrying amount for the Agency's portion of cash and investments as of December 31, 2002 and 2001 was as follows:

	2002	2001
County Treasury	<u>\$54,571</u>	<u>\$63,378</u>

Deposits: Deposits held by the Auglaize County Treasurer are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the County or (3) collateralized by the financial institution's public entity deposit pool.

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

**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	\$108,411	\$80,660	(\$27,751)
Special Revenue	104,749	77,487	(27,262)
Total	\$213,160	\$158,147	(\$55,013)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$108,411	\$86,590	\$21,821
Special Revenue	104,749	80,571	24,178
Total	\$213,160	\$167,161	\$45,999

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$125,329	\$84,179	(\$41,150)
Special Revenue	0	13,468	13,468
Total	\$125,329	\$97,647	(\$27,682)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$125,329	\$92,358	\$32,971
Special Revenue	0	0	0
Total	\$125,329	\$92,358	\$32,971

4. SUBDIVISION ASSESSMENTS

The subdivision fees are apportioned according to the last available census. Each subdivision is assessed \$.40 per capita to fund the general operations of the Agency.

5. RETIREMENT SYSTEMS

The Agency'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. PERS members contribute 8.5% of their gross salaries. The Agency contributes an amount equal to 13.55 % of participants' gross salaries. The Agency has paid 75% of the contributions required through December 31, 2002.

**EMERGENCY MANAGEMENT AGENCY
AUGLAIZE COUNTY**

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

6. RISK MANAGEMENT

The Agency is insured by the County through a cost allocation plan for the following risks:

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

The Agency provides health insurance and dental and vision coverage to the employees through the County's plan.

7. GRANTS

The Agency received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Agency at December 31, 2002.



**Auditor of State
Betty Montgomery**

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

Emergency Management Agency
Auglaize County
201 Willipie Street, Suite G-8
Wapakoneta, Ohio 45895

To the Executive Committee:

We have audited the financial statements of Emergency Management Agency, Auglaize County, (the Agency), as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 28, 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 Agency'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 Agency in a separate letter dated April 28, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency'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 Agency in a separate letter dated April 28, 2003.

Emergency Management Agency
Auglaize County
Independent Accountants' Report 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.

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

Betty Montgomery
Auditor of State

April 28, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

EMERGENCY MANAGEMENT AGENCY

AUGLAIZE 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
JUNE 3, 2003**