



**Auditor of State
Betty Montgomery**

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Emergency Management Agency
Champaign County
1512 S. U.S. Hwy 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 EMA), as of and for the years ended December 31, 2003 and 2002. 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 accounting principles generally accepted in the United States of America.

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, 2003 and 2002, 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 July 7, 2004, 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.

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

Betty Montgomery
Auditor of State

July 7, 2004

**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, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$75,695	\$122,025	\$197,720
Other Revenue	4,005		4,005
	<u>79,700</u>	<u>122,025</u>	<u>201,725</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries/Benefits	41,646	3,093	44,739
Supplies	2,750		2,750
Repair/Maintenance	4,554		4,554
Equipment/Capital Outlay	13,899	107,510	121,409
Utilities	8,191		8,191
Rentals/Leases	103		103
Travel/Meeting Expenses	4,703		4,703
Miscellaneous	804	17,709	18,513
	<u>76,650</u>	<u>128,312</u>	<u>204,962</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>3,050</u>	<u>(6,287)</u>	<u>(3,237)</u>
Fund Cash Balances, January 1	<u>168,619</u>	<u>32,813</u>	<u>201,432</u>
Fund Cash Balances, December 31	<u><u>\$171,669</u></u>	<u><u>\$26,526</u></u>	<u><u>\$198,195</u></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, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$38,890	\$30,828	\$69,718
Other Revenue	723		723
	<u>39,613</u>	<u>30,828</u>	<u>70,441</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries/Benefits	17,885	1,240	19,125
Supplies	1,681		1,681
Repair/Maintenance	10,123		10,123
Equipment/Capital Outlay	1,008		1,008
Utilities	6,814		6,814
Rentals/Leases	98		98
Travel/Meeting Expenses	415		415
Miscellaneous	2,188	12,908	15,096
	<u>40,212</u>	<u>14,148</u>	<u>54,360</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(599)</u>	<u>16,680</u>	<u>16,081</u>
Fund Cash Balances, January 1	<u>169,218</u>	<u>16,133</u>	<u>185,351</u>
Fund Cash Balances, December 31	<u><u>\$168,619</u></u>	<u><u>\$32,813</u></u>	<u><u>\$201,432</u></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, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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:

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.

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, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

E. 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 EMA's basis of accounting.

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, 2003 and 2002, were \$198,195 and \$201,432, 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 2003 and 2002, PERS members contributed 8.5% of their gross salaries. The EMA contributed an amount equal to 13.55% of participants' gross salaries. The EMA has paid all contributions required through December 31, 2003.

4. RISK MANAGEMENT

The EMA has obtained commercial insurance for the following risks:

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

The EMA also provides health insurance and dental and vision coverage to full-time employees through Champaign County.



Auditor of State Betty Montgomery

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

Emergency Management Agency
Champaign County
1512 S. U.S. Hwy 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 EMA), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 7, 2004. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is which is described in the accompanying schedule of findings as item 2003-001.

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 July 7, 2004.

Emergency Management Agency
Champaign County
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 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

July 7, 2004

**EMERGENCY MANAGEMENT AGENCY
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2003-001

FINDING FOR RECOVERY REPAID UNDER AUDIT

The EMA expended money for meeting expenses without detailed accurate supporting documentation. Payments were approved for \$113.26 on August 2, 2002, supported only by an adding machine tape, and no explanation or description. A payment was approved to Sam's Club on May 3, 2003 for purchases, which included \$7.87 in unsupported expenditures. The EMA expended \$121.13 in total without adequate supporting documentation.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Eugene Branstiter, EMA Director and in favor of the Champaign County Emergency Management Authority General Fund in the amount of \$121.13. The finding was repaid while under audit, as evidenced by Pay-In # 24934.



**Auditor of State
Betty Montgomery**

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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
AUGUST 26, 2004**