



Mary Taylor, CPA
Auditor of State

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Office of Homeland Security and Emergency Management
Shelby County
800 Fair Road
Sidney, Ohio 45365

To the Executive Committee:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of Homeland Security and Emergency Management, Shelby County, (the Agency), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of Homeland Security and Emergency Management, Shelby County, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the respective budgetary comparison for the General, Fire Rescue Trust, and State Fire Marshall's Grant Funds for 2009, and the General, State Homeland Security Grant for 2007, and Assistance to Fire Fighters Grant Funds for 2008, thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 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.

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Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

March 18, 2010

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

This discussion and analysis of the Office of Homeland Security and Emergency Management, Shelby County, (the Agency) financial performance provides an overall review of the Agency's financial activities for the year ended December 31, 2009, within the limitations of the Agency's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Agency's financial performance.

Highlights

Key highlights for 2009 are as follows:

- Net assets of governmental activities increased \$6,366, or 65 percent.
- The Agency's receipts for 2009 were primarily from the County Allocation in the amount of \$70,973 or 51 percent of the total cash received during 2009. Intergovernmental grants and contributions, accounted for 30 percent of the total cash received during the year. The other 19 percent of receipts were charges for services and subdivision assessments and misc receipts. In 2009 the largest grant received was the State Fire Marshall's Grant for \$10,000.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Agency's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Agency as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Agency as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Agency has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Agency's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Reporting the Agency as a Whole

The statement of net assets and the statement of activities reflect how the Agency did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the Agency at year-end. The statement of activities compares cash disbursements with program receipts for the Public Safety Program, the Agency's only program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of the program.

These statements report the Agency's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Agency's financial health. Over time, increases or decreases in the Agency's cash position is one indicator of whether the Agency's financial health is improving or deteriorating. When evaluating the Agency's financial condition, you should also consider other non-financial factors as well such as the condition of the Agency's capital assets and the reliance on non-local financial resources for operations.

Reporting the Agency's Most Significant Funds

Fund financial statements provide detailed information about the Agency's major funds – not the Agency as a whole. The Agency establishes separate funds to better manage its activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Agency are all governmental. The fund financial statements provide a detailed view of the Agency's operations and the basic services it provides. Fund information helps determine whether there are more or less financial resources that can be spent to finance the Agency's activities. The Agency's significant funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Agency's major funds are the General Fund, Fire Rescue Trust Fund and the State Fire Marshal Grant Fund.

The Agency as a Whole

Table 1 provides a summary of the Agency's net assets for 2009 compared to 2008 on a cash basis:

Table 1		
Net Assets		
Governmental Activities		
	2009	2008
Cash and Cash Equivalents	\$16,227	\$9,861
Total Assets	16,227	9,861
Net Assets:		
Restricted for:		
Other Purposes	16,227	6,970
Unrestricted		2,891
Total Net Assets	\$16,227	\$9,861

As mentioned previously, net assets of governmental activities increased \$6,366 or 65 percent during 2009. The primary reason for the increase in cash balances was that less was spent on activities than grant monies received.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets in 2009. It also shows a comparative analysis with the changes in 2008.

**(Table 2)
Changes in Net Assets**

	Governmental Activities 2009	Governmental Activities 2008
Receipts:		
Program Receipts:		
Charges for Services	\$13,540	\$ 8,000
Operating Grants and Contributions	21,103	35,421
Capital Grants and Contributions	21,232	212,209
Total Program Receipts	55,875	255,630
General Receipts:		
Subdivision Assessments	12,679	13,143
County Allocation	70,973	83,400
Miscellaneous	8	363
Total General Receipts	83,660	96,906
Total Receipts	139,535	352,536
Disbursements:		
Public Safety	133,169	346,025
Total Disbursements	133,169	346,025
Increase (Decrease) in Net Assets	6,366	6,511
Net Assets, January 1	9,861	3,350
Net Assets, December 31	\$16,227	\$ 9,861

Receipts of the Agency are program and general receipts. The program receipts are primarily comprised of intergovernmental grants and contributions, which represented 30 percent of total receipts for 2009. Charges for services accounted for 10 percent of the total receipts during 2009. The Agency general receipts are in the form of subdivision assessments and a county allocation for operations and miscellaneous receipts.

The Agency's only program is Public Safety, which includes the Office of Homeland Security and the Emergency Management Agency. The Agency is charged with the county planning for disasters or emergencies. It is the local contact for state and federal agencies during these events. It is also charged with community preparedness. The Agency coordinates the Shelby County Fire Department, Shelby County HazMat Team, and sponsors training for first responders. During 2009, the Agency received \$6,366 more than it spent for these purposes. The Agency also coordinates and provides services to Local Emergency Planning Committee.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Governmental Activities

If you look at the Statement of Activities on page 8, you will see that the first column lists the only program of the Agency. The next column identifies the costs of providing these services. The next three columns of the Statement entitled Program Receipts identify, in general, the source of the receipts. The amounts are either paid by people who are directly charged for a service or grants and contributions received by the Agency that must be used to provide a specific service.

A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Total Cost Of Services 2009	Program Receipts 2009	Net Cost Of Services 2009
Public Safety	\$133,169	\$55,875	\$77,294

The Agency's Funds

The only funds of the Agency are governmental funds. Total fund receipts were \$139,535 and total fund disbursements were \$133,169 for 2009. The greatest change within the funds occurred in the State Fire Marshall's Fund, which had an increase in fund balance of \$10,000.

Capital Assets

The Agency does keep track of its capital assets with a software package administered by the County. The Director receives a report every year in December for his review of the capital assets. The Agency does not report capital assets on its financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Office of Homeland Security and Emergency Management, Shelby County does not receive any taxes so the level of service provided is largely relational to the amount of grant funding it receives. The Agency's management works hard to find funding sources and manage those sources to provide the best services it can to the residents of Shelby County.

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens with a general overview of the Agency's finances and to reflect the Agency's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marc Burdiss (Director) Office Phone #937-492-5635, Cell 937-538-6968, Fax 937-492-8508, email shelbycountyema@gmail.com.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$16,227</u>
Total Assets	<u><u>16,227</u></u>
Net Assets:	
Restricted for:	
Other Purposes	16,227
Unrestricted	
Total Net Assets	<u><u>\$16,227</u></u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

			Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Public Safety	\$133,169	\$13,540	\$21,103	\$21,232	(\$77,294)
Total Governmental Activities	\$133,169	\$13,540	\$21,103	\$21,232	(77,294)
			General Receipts:		
			Subdivision Assessment		12,679
			County Allocation		70,973
			Miscellaneous		8
			Total General Receipts		83,660
			Change in Net Assets		6,366
			Net Assets Beginning of Year		9,861
			Net Assets End of Year		\$16,227

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Fire Rescue Trust</u>	<u>State Fire Marshall's Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents		\$5,081	\$10,000	\$1,146	\$16,227
Total Assets		<u>5,081</u>	<u>10,000</u>	<u>1,146</u>	<u>16,227</u>
Fund Balances:					
Reserved:					
Reserve for Encumbrances				21,120	21,120
Unreserved:					
Undesignated, Reported in:					
General Fund					
Special Revenue Funds		5,081	10,000	(19,974)	(4,893)
Total Fund Balances	<u>\$0</u>	<u>\$5,081</u>	<u>\$10,000</u>	<u>\$1,146</u>	<u>\$16,227</u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND BALANCES
CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Fire Rescue Trust</u>	<u>State Fire Marshall</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:					
Contract Services	\$8,000				\$8,000
Subdivision Assessments	12,679				12,679
Intergovernmental	91,954	\$2,100	\$10,000	\$12,512	116,566
Gifts and Donations		2,282			2,282
Miscellaneous	8				8
Total Receipts	<u>112,641</u>	<u>4,382</u>	<u>10,000</u>	<u>12,512</u>	<u>139,535</u>
Disbursements:					
Current:					
Public Safety	115,532	160		17,477	133,169
Total Disbursements	<u>115,532</u>	<u>160</u>		<u>17,477</u>	<u>133,169</u>
Net Changes in Fund Balance	(2,891)	4,222	10,000	(4,965)	6,366
Fund Balances Beginning of Year	<u>2,891</u>	<u>859</u>		<u>6,111</u>	<u>9,861</u>
Fund Balances End of Year	<u><u>\$0</u></u>	<u><u>\$5,081</u></u>	<u><u>\$10,000</u></u>	<u><u>\$1,146</u></u>	<u><u>\$16,227</u></u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Contract Services	\$8,000	\$8,000	\$8,000	
Subdivision Assessments	17,520	17,520	12,679	(\$4,841)
Intergovernmental	99,508	97,753	91,954	(5,799)
Miscellaneous			8	8
Total Receipts	<u>125,028</u>	<u>123,273</u>	<u>112,641</u>	<u>(10,632)</u>
Disbursements:				
Current:				
Public Safety	127,919	126,164	115,532	10,632
Total Disbursements	<u>127,919</u>	<u>126,164</u>	<u>115,532</u>	<u>10,632</u>
Excess of Receipts Under Disbursements	(2,891)	(2,891)	(2,891)	
Other Financing Sources (Uses):				
Advances In	4,000	4,000	4,000	
Advances Out	(4,000)	(4,000)	(4,000)	
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(2,891)	(2,891)	(2,891)	
Fund Balance Beginning of Year	<u>2,891</u>	<u>2,891</u>	<u>2,891</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
FIRE RESCUE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental			\$2,100	\$2,100
Miscellaneous	\$1,000	\$1,000	2,282	1,282
Total Receipts	<u>1,000</u>	<u>1,000</u>	<u>4,382</u>	<u>3,382</u>
Disbursements:				
Current:				
Public Safety	1,859	1,859	160	1,699
Total Disbursements	<u>1,859</u>	<u>1,859</u>	<u>160</u>	<u>1,699</u>
Net Change in Fund Balance	(859)	(859)	4,222	5,081
Fund Balance Beginning of Year	<u>859</u>	<u>859</u>	<u>859</u>	
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$5,081</u>	<u>\$5,081</u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
STATE FIRE MARSHAL GRANT
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental		\$10,000	\$10,000	
Total Receipts		10,000	10,000	
Disbursements:				
Current:				
Public Safety		10,000		\$10,000
Total Disbursements		10,000		10,000
Net Change in Fund Balance			10,000	10,000
Fund Balance Beginning of Year				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$10,000</u>	<u>\$10,000</u>

See accompanying notes to the basic financial statements.

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**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. DESCRIPTION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

The Office of Homeland Security and Emergency Management, Shelby County, (the Agency) was organized under Ohio Revised Code Section 5502.26 to establish a program for county wide emergency management operations. The Agency 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.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations ensuring that the financial statements are not misleading. The primary government consists of all funds that are not legally separate from the Agency. For acceptable Other Comprehensive Basis of Accounting (OCBOA), this includes general operations.

The Agency's management believes these financial statements present all activities for which the Agency is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Agency's accounting policies.

A. Basis of Presentation

The Agency's basic financial statements consist of government-wide financial statements, which consist of a statement of net assets and a statement of activities, and fund financial statements which provide more detailed financial information.

1. Government-wide Financial Statements

These statements display information about the Agency as a whole. The government-wide statement of activities compares disbursements with program receipts for each function or program of the Agency's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Agency is responsible.

Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on a cash basis or draws from the Agency's general receipts.

2. Fund Financial Statements

The fund financial statements report more detailed information about the Agency. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate non-major funds in a single column.

B. Fund Accounting

The Agency uses fund accounting to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Agency classifies its funds as governmental.

1. Governmental Funds

The Agency classifies funds financed primarily from intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the Agency's major governmental funds:

General Fund - The General Fund is the general operating fund of the Agency and always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Fire Rescue Trust Fund – This fund is used to handle donations the Shelby County Volunteer Fire Department receives throughout the year from businesses and individuals. This fund is used to purchase equipment and supplement matching funds of the State Fire Marshal Grant and budgeted funds from the EMA.

State Fire Marshal Grant Fund - The purpose of this grant is to purchase safety equipment for Ohio Fire Departments. The items allowable include protective clothing, self contained breathing apparatus, communications and alarms, pumps, etc. Shelby County has used this fund to purchase new turn out gear for volunteer firefighter clothing that was out of date or damaged.

The other governmental funds of the Agency account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Agency's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

Although not legally required to follow budgetary procedures, the Agency prepares a budget and adopts appropriations. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The budget demonstrates a need for existing or additional funds. The certificate of estimated resources is prepared to establish a limit on the amount the Agency may appropriate. The appropriations resolution is the Agency's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Agency members. The legal level of control has been established by the Agency at the fund, function, and object level. Estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Agency. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Agency.

E. Cash and Cash Equivalents

The County Treasurer is the custodian for the Agency's cash and investments. The County's cash and investment pool holds the Agency's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County.

F. Inventory and Prepaid Items

On the cash-basis of accounting, inventories of supplies are reported as disbursements when purchased.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

H. Unpaid Vacation and Sick 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 Agency's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

The Agency recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Net Assets

The statements report restricted net assets when grantors have imposed limitations on their use. The Agency first applies restricted resources when a disbursement occurs for which both restricted and unrestricted net assets are available.

3. EQUITY IN POOLED CASH

The Shelby County Auditor acts as the fiscal agent for the Office of Homeland Security and Emergency Management 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, the risk involved and the preferential claim of the Agency cannot be determined.

The Shelby County Auditor's records indicated the Agency's cash balance as of December 31, 2009, was \$16,227.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (cash basis). There were no outstanding encumbrances at December 31, 2009.

5. RISK MANAGEMENT

A. Commercial Insurance

The Agency has obtained commercial insurance for the following risks:

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

B. Employee Medical Benefits

The Agency provides health insurance to full-time employees through Shelby County's policy with the Midwest Benefit Consortium, a risk sharing pool.

C. Workers' Compensation

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

5. RISK MANAGEMENT (Continued)

For the period January 1, 2009 through June 30, 2009, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program provided by the County Commissioners' Association of Ohio Service Corporation (CCAOSC), a workers' compensation insurance purchasing pool. The intent of the CCAOSC is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

For the period of July 1, 2009 through December 31, 2009, the County was dropped from the CCAOSC program. Currently the County is not participating in a group program.

6. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

The Agency participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year).

Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability and death benefits as well as post-employment health care coverage to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits including post-employment health care coverage. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2009, the members of all three plans were required to contribute 10 percent of their annual covered salaries. The Agency's contribution rate for pension benefits for 2009 was 7 percent from January 1 through March 31, 2009 and 8.5 percent from April 1 through December 31, 2009. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Agency's required contributions to OPERS for pension benefits for the years ended December 31, 2009, 2008, and 2007 were \$3,241, 3,094, and \$3,737 respectively.

7. POST-EMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

7 POST-EMPLOYMENT BENEFITS (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statements 12 and 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00% of covered. The Ohio Revised Codes currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 7.00% from Jan 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on the OPERS latest actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 3% for the next 6 years. In subsequent years, (7 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The Traditional Pension and Combined Plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 356,388. Actual employer contributions for 2009, 2008, and 2007 were \$2,360, \$3,094, and \$2,461 respectively. The actual contribution and the actuarially required contribution amounts are the same. The amount of \$10.7 billion represents the actuarial funding value of OPERS net assets available for OPEB at December 31, 2008. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.6 billion and \$18.9 billion, respectively.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

8. CONTINGENCIES

The Agency receives financial assistance from federal and state agencies in the form of grants. Disbursing grant funds 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 or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial condition of the Agency at December 31, 2009.

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**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

This discussion and analysis of the Office of Homeland Security and Emergency Management, Shelby County, (the Agency) financial performance provides an overall review of the Agency's financial activities for the year ended December 31, 2008, within the limitations of the Agency's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Agency's financial performance.

Highlights

Key highlights for 2008 are as follows:

- Net assets of governmental activities increased \$6,511, or 194 percent.
- The Agency's receipts are primarily intergovernmental grants and contributions, which accounted for 70 percent of the total cash received during the year. Of this amount \$132,007, was from a donation made for the purchase of 2 generators, and \$115,623 was from grant revenue. The largest grant revenue for 2008 was from the Homeland Security Grant for 2008. The next largest source of receipts was the County Allocation, which accounted for 24 percent of total receipts. The other 6 percent of receipts were charges for services and subdivision assessments.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Agency's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Agency as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Agency as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Agency has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Agency's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

Reporting the Agency as a Whole

The statement of net assets and the statement of activities reflect how the Agency did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the Agency at year-end. The statement of activities compares cash disbursements with program receipts for the Public Safety Program, the Agency's only program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of the program.

These statements report the Agency's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Agency's financial health. Over time, increases or decreases in the Agency's cash position is one indicator of whether the Agency's financial health is improving or deteriorating. When evaluating the Agency's financial condition, you should also consider other non-financial factors as well such as the condition of the Agency's capital assets and the reliance on non-local financial resources for operations.

Reporting the Agency's Most Significant Funds

Fund financial statements provide detailed information about the Agency's major funds – not the Agency as a whole. The Agency establishes separate funds to better manage its activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Agency are all governmental. The fund financial statements provide a detailed view of the Agency's operations and the basic services it provides. Fund information helps determine whether there are more or less financial resources that can be spent to finance the Agency's activities. The Agency's significant funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Agency's major funds are the General Fund, the Assistance to Firefighters Fund and the State Homeland Security Fund.

The Agency as a Whole

Table 1 provides a summary of the Agency's net assets for 2008 compared to 2007 on a cash basis:

Table 1		
Net Assets		
Governmental Activities		
	2008	2007
Cash and Cash Equivalents	\$9,861	\$3,350
Total Assets	9,861	3,350
Net Assets:		
Restricted for:		
Other Purposes	6,970	3,348
Unrestricted	2,891	2
Total Net Assets	\$9,861	\$3,350

As mentioned previously, net assets of governmental activities increased \$6,511 or 194 percent during 2008. The primary reason for the increase in cash balances was that less was spent on activities than grant monies received.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets in 2008. It also shows a comparative analysis with the changes in 2007.

**(Table 2)
Changes in Net Assets**

	Governmental Activities 2008	Governmental Activities 2007
Receipts:		
Program Receipts:		
Charges for Services	\$ 8,000	\$ 8,000
Operating Grants and Contributions	35,421	72,278
Capital Grants and Contributions	212,209	
Total Program Receipts	<u>255,630</u>	<u>80,278</u>
General Receipts:		
Subdivision Assessments	13,143	11,921
County Allocation	83,400	80,054
Miscellaneous	363	
Total General Receipts	<u>96,906</u>	<u>91,975</u>
Total Receipts	<u>352,356</u>	<u>172,253</u>
Disbursements:		
Public Safety	<u>346,025</u>	<u>173,891</u>
Total Disbursements	<u>346,025</u>	<u>173,891</u>
Increase (Decrease) in Net Assets	6,511	(1,638)
Net Assets, January 1	<u>3,350</u>	<u>4,988</u>
Net Assets, December 31	<u>\$ 9,861</u>	<u>\$ 3,350</u>

Receipts of the Agency are program and general receipts. The program receipts are primarily comprised of intergovernmental grants and contributions, which represented 70 percent of total receipts for 2008. The Agency general receipts are in the form of subdivision assessments and a county allocation for operations.

The Agency's only program is Public Safety, which includes the Office of Homeland Security and the Emergency Management Agency. The Agency is charged with the county planning for disasters or emergencies. It is the local contact for state and federal agencies during these events. It is also charged with community preparedness. The Agency coordinates the Shelby County Fire Department, Shelby County HazMat Team, and sponsors training for first responders. During 2008, the Agency received \$6,511 more than it spent for these purposes. The Agency also coordinates and provides services to the Local Emergency Planning Committee.

Governmental Activities

If you look at the Statement of Activities on page 28, you will see that the first column lists the only program of the Agency. The next column identifies the costs of providing these services. The next three columns of the Statement entitled Program Receipts identify, in general, the source of the receipts. The amounts are either paid by people who are directly charged for a service or grants and contributions received by the Agency that must be used to provide a specific service.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Total Cost Of Services 2008	Program Receipts 2008	Net Cost of Services 2008
Public Safety	\$346,025	\$255,630	\$90,395

The Agency's Funds

The Agency's funds are all governmental funds. Total fund receipts were \$352,536 and total fund disbursements were \$346,025 for 2008.

Capital Assets

The Agency does keep track of its capital assets with a software package administered by the County. The Director receives a report every year in December for his review of the capital assets. The Agency does not report capital assets on its financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Office of Homeland Security and Emergency Management, Shelby County does not receive any taxes so the level of service provided is largely relational to the amount of grant funding it receives. The Agency's management works hard to find funding sources and manage those sources to provide the best services it can to the residents of Shelby County.

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens with a general overview of the Agency's finances and to reflect the Agency's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marc Burdiss (Director) Office Phone #937-492-5635, Cell 937-538-6968, Fax 937-492-8508, email shelbycountyema@gmail.com.

OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$9,861
Total Assets	<u>9,861</u>
Net Assets:	
Restricted for:	
Other Purposes	6,970
Unrestricted	2,891
Total Net Assets	<u><u>\$9,861</u></u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

		<u>Program Cash Receipts</u>			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Public Safety	\$346,025	\$8,000	\$35,421	\$212,209	(\$90,395)
Total Governmental Activities	<u>\$346,025</u>	<u>\$8,000</u>	<u>\$35,421</u>	<u>\$212,209</u>	<u>(90,395)</u>
			General Receipts:		
			Subdivision Assessment		13,143
			County Allocation		83,400
			Miscellaneous		363
			Total General Receipts		<u>96,906</u>
			Change in Net Assets		6,511
			Net Assets Beginning of Year		<u>3,350</u>
			Net Assets End of Year		<u><u>\$9,861</u></u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	<u>General</u>	<u>Assistance Firefighters Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,891	\$5,505	\$1,465	\$9,861
Total Assets	<u>2,891</u>	<u>5,505</u>	<u>1,465</u>	<u>9,861</u>
Fund Balances:				
Unreserved:				
Undesignated, Reported in:				
General Fund	2,891			2,891
Special Revenue Funds		5,505	1,465	6,970
Total Fund Balances	<u>\$2,891</u>	<u>\$5,505</u>	<u>\$1,465</u>	<u>\$9,861</u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND BALANCES
CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Assistance Firefighters Grant</u>	<u>State Homeland 2007</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:					
Contract Services	\$8,000				\$8,000
Subdivision Assessments	13,143				13,143
Intergovernmental	117,052	\$23,665	\$46,444	\$11,862	199,023
Gifts and Donations	132,007				132,007
Miscellaneous	363				363
Total Receipts	<u>270,565</u>	<u>23,665</u>	<u>46,444</u>	<u>11,862</u>	<u>352,536</u>
Disbursements:					
Current:					
Public Safety	261,676	18,160	46,444	19,745	346,025
Total Disbursements	<u>261,676</u>	<u>18,160</u>	<u>46,444</u>	<u>19,745</u>	<u>346,025</u>
Total Receipts Over/(Under) Disbursements	<u>8,889</u>	<u>5,505</u>		<u>(7,883)</u>	<u>6,511</u>
Other Financing Receipts/(Disbursements):					
Transfers-In				6,000	6,000
Transfers-Out	(6,000)				(6,000)
Total Other Financing Receipts/(Disbursements)	<u>(6,000)</u>			<u>6,000</u>	
Net Change in Fund Balance	2,889	5,505		(1,883)	6,511
Fund Balances Beginning of Year	<u>2</u>			<u>3,348</u>	<u>3,350</u>
Fund Balances End of Year	<u>\$2,891</u>	<u>\$5,505</u>	<u>\$0</u>	<u>\$1,465</u>	<u>\$9,861</u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Contract Services	\$8,000	\$8,000	\$8,000	
Subdivision Assessments	18,150	18,150	13,143	(\$5,007)
Intergovernmental	103,170	127,835	117,052	(10,783)
Donation		132,007	132,007	
Miscellaneous			363	363
Total Receipts	<u>129,320</u>	<u>285,992</u>	<u>270,565</u>	<u>(15,427)</u>
Disbursements:				
Current:				
Public Safety	128,742	285,748	261,676	24,072
Total Disbursements	<u>128,742</u>	<u>285,748</u>	<u>261,676</u>	<u>24,072</u>
Excess of Receipts Over (Under) Disbursements	578	244	8,889	8,645
Other Financing Sources:				
Advances In			334	334
Advances Out			(334)	(334)
Transfers Out			(6,000)	(6,000)
Total Other Financing Sources			<u>(6,000)</u>	<u>(6,000)</u>
Net Change in Fund Balance	578	244	2,889	2,645
Fund Balance Beginning of Year	<u>2</u>	<u>2</u>	<u>2</u>	
Fund Balance End of Year	<u>\$580</u>	<u>\$246</u>	<u>\$2,891</u>	<u>\$2,645</u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
ASSISTANCE TO FIREFIGHTERS GRANT
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental		\$23,665	\$23,665	
Total Receipts		<u>23,665</u>	<u>23,665</u>	
Disbursements:				
Current:				
Public Safety		23,665	18,160	\$5,505
Total Disbursements		<u>23,665</u>	<u>18,160</u>	<u>5,505</u>
Net Change in Fund Balance			5,505	5,505
Fund Balance Beginning of Year				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$5,505</u>	<u>\$5,505</u>

See accompanying notes to the basic financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
STATE HOMELAND SECURITY GRANT FOR 2007
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental		\$64,406	\$46,444	(\$17,962)
Total Receipts		<u>64,406</u>	<u>46,444</u>	<u>(17,962)</u>
Disbursements:				
Current:				
Public Safety		64,406	46,444	17,962
Total Disbursements		<u>64,406</u>	<u>46,444</u>	<u>17,962</u>
Net Change in Fund Balance				
Fund Balance Beginning of Year				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

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**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. DESCRIPTION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

The Office of Homeland Security and Emergency Management, Shelby County, (the Agency) was organized under Ohio Revised Code Section 5502.26 to establish a program for county wide emergency management operations. The Agency 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.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations ensuring that the financial statements are not misleading. The primary government consists of all funds that are not legally separate from the Agency. For acceptable Other Comprehensive Basis of Accounting (OCBOA), this includes general operations.

The Agency's management believes these financial statements present all activities for which the Agency is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Agency's accounting policies.

A. Basis of Presentation

The Agency's basic financial statements consist of government-wide financial statements, which consist of a statement of net assets and a statement of activities, and fund financial statements which provide more detailed financial information.

1. Government-wide Financial Statements

These statements display information about the Agency as a whole. The government-wide statement of activities compares disbursements with program receipts for each function or program of the Agency's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Agency is responsible.

Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on a cash basis or draws from the Agency's general receipts.

2. Fund Financial Statements

The fund financial statements report more detailed information about the Agency. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate non-major funds in a single column.

B. Fund Accounting

The Agency uses fund accounting to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self balancing set of accounts. The Agency classifies its funds as governmental.

1. Governmental Funds

The Agency classifies funds financed primarily from intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the Agency's major governmental funds:

General Fund - The general fund is the general operating fund of the Agency and always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Assistance to Firefighters Fund – The primary goal of this fund is to meet the firefighting response needs of the Shelby County Fire Department. Its purpose is to obtain critically needed equipment, protective gear, emergency vehicles, training and other resources needed to protect the public and emergency personnel from fire and related hazards.

2007 State Homeland Security Fund – The main goal of this fund is to support the implementation of State Homeland Security Strategies, support national response framework and build capabilities in Shelby County through fund planning, equipment, training and exercise activities.

C. Basis of Accounting

The Agency's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Commission's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

Although not legally required to follow budgetary procedures, the Agency prepares a budget and adopts appropriations. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The budget demonstrates a need for existing or additional funding. The certificate of estimated resources is prepared to establish a limit on the amount the Agency may appropriate. The appropriations resolution is the Agency's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Agency members. The legal level of control has been established by the Agency at the fund, function, and object level. Estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Agency. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Agency

E. Cash and Cash Equivalents

The County Treasurer is the custodian for the Agency's cash and investments. The County's cash and investment pool holds the Agency's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County.

F. Inventory and Prepaid Items

On the cash-basis of accounting, inventories of supplies are reported as disbursements when purchased.

G. Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The financial statements do not report these items as assets.

H. Unpaid Vacation and Sick 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 Agency's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

The Agency recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Net Assets

The statements report restricted net assets when grantors have imposed limitations on their use. The Agency first applies restricted resources when a disbursement occurs for which both restricted and unrestricted net assets are available.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

3. EQUITY IN POOLED CASH

The Shelby County Auditor acts as the fiscal agent for the Office of Homeland Security and Emergency Management 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, the risk involved and the preferential claim of the Agency cannot be determined.

The Shelby County Auditor's records indicated the Agency's cash balance as of December 31, 2008, was \$9,861.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (cash basis). There were no outstanding encumbrances at December 31, 2008.

5. RISK MANAGEMENT

A. Commercial Insurance

The Agency has obtained commercial insurance through Shelby County for the following risks:

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

B. Employee Medical Benefits

The Agency 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.

C. Workers' Compensation

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation. For 2008, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program provided by the County Commissioners' Association of Ohio Service Corporation (CCAOSC), a workers' compensation insurance purchasing pool. The intent of the CCAOSC is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

6. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

The Agency participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year).

Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2008, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The Agency's contribution rate for pension benefits for 2008 was 7.0 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Agency's required contributions to OPERS for pension benefits for the years ended December 31, 2008, 2007, and 2006 were \$3,094, \$3,737, and \$3,959 respectively.

7. POST-EMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursements, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statements 12 and 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

7. POST-EMPLOYMENT BENEFITS (continued)

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00% of covered. The Ohio Revised Codes currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the portion of employer contributions allocated to health care was 7.00% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on the OPERS latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 4% for the next 7 years. In subsequent years, (8 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076. Actual employer contributions for 2008, 2007, and 2006 were \$3,094, \$2,461, and \$1,936 respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17 billion, respectively.

8. CONTINGENCIES

The Agency receives financial assistance from federal and State agencies in the form of grants. Disbursing grant funds generally require 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 or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial condition of the Agency at December 31, 2008.



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*

Office of Homeland Security and Emergency Management
Shelby County
800 Fair Road
Sidney, Ohio 45365

To the Executive Committee:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of Homeland Security and Emergency Management, Shelby County, (the Agency), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 18, 2010, wherein we noted the Agency uses a comprehensive accounting basis other than generally accepted accounting principles. 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 expressing our opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect, and timely correct misstatements. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented or detected and timely corrected. We consider Finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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 also noted a certain matter not requiring inclusion in this report that that we reported to the Agency's management in a separate letter date March 18, 2010.

We intend this report solely for the information and use of the management, Members of the Executive Board, and others within the Agency. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

March 18, 2010

OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
SHELBY COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2009

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

Material Weakness - Financial Statement Preparation

The financial statements presented by the Agency included the Local Emergency Planning Committee (LEPC) financial transactions for both 2009 and 2008. Since the LEPC is a separately established committee appointed by the State Emergency Response Commission under Section 3750.03 of the Ohio Revised Code and as such is considered a component of the state, it should not be included in the Agency's financial reporting.

The underlying result of reporting the LEPC Fund as part of the County Agency was to reduce the Statement of Net Assets and the Statement of Assets and Fund Balance's Cash and Cash Equivalents and the Restricted Net Assets/Undesignated Fund Balance by \$30,482 for 2009 and \$24,932 for 2008. Public Safety Disbursements on the Statement of Activities and the Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances were reduced by \$12,815 and \$11,936 for 2009 and 2008 respectively. Operating Grants/Intergovernmental Revenues on the Statement of Activities and the Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances were reduced by \$18,365 and \$19,491 for 2009 and 2008, respectively. Beginning Net Assets/Fund Balances on the Statement of Activities and the Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances was reduced by \$24,932 and \$17,377 for 2009 and 2008 respectively.

The accompanying financial statements were adjusted to remove the LEPC Fund from the reporting.

In order to provide assurance financial information is accurate, the Agency should analyze the revenues paid directly to their Agency and report only those funds for which they receive the revenue directly and have the decision making responsibility.

Client Response:

Officials did not respond to this comment.



Mary Taylor, CPA
Auditor of State

OFFICE OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

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
MAY 6, 2010**