

Madison Emergency Medical District
Madison County
Regular Audit
For the Years Ended December 31, 2011 and 2010



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Dave Yost • Auditor of State

Board of Trustees
Madison Emergency Medical District
PO Box 68
London, Ohio 43140

We have reviewed the *Independent Accountants' Report* of the Madison Emergency Medical District, Madison County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Madison Emergency Medical District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

November 28, 2012

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Madison County
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Independent Auditor's Report

Board of Trustees
Madison Emergency Medical District
PO Box 68
London, Ohio 43140

We have audited the accompanying financial statements of the governmental activities and each major fund of Madison Emergency Medical District, Madison County, Ohio (the District), as of and for the years ended December 31, 2011 and 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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 *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 the 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 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 and each major fund of Madison Emergency Medical District, Madison County, Ohio, as of December 31, 2011 and 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

As described in Note 11, during 2011 the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Independent Auditor's Report
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We conducted our audit to opine on the District's financial statements taken as a whole. Management's Discussion and Analysis includes tables of net assets, changes in net assets, and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However, these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepting in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurance on it.



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

July 30, 2012

Madison Emergency Medical District
Madison County
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
(Unaudited)

This discussion and analysis of the Madison Emergency Medical District's (the District) financial performance provides an overall review of the District's financial activities for the years ended December 31, 2011 and 2010, within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key highlights for 2011 are as follows:

Net assets increased by 17.69 percent, or \$251,059 when compared to 2010. This was due to the purchase of a new medic during 2010 and no major capital purchases in 2011.

The District's primary funding source is property and other local tax receipts. These receipts represented approximately 58.62 percent of the total cash received for governmental activities during the year. Charges for services, or run receipts, constituted approximately 29.92 percent of total receipts. The District increased the user fees charged in 2009 to remain consistent with charges assessed by other emergency service providers.

Key highlights for 2010 are as follows:

Net assets increased by 11.23 percent, or \$143,283 when compared to 2009. This was due to the purchase of a new medic during 2010 and no major capital purchases in 2009.

The District's primary funding source is property and other local tax receipts. These receipts represented approximately 55.31 percent of the total cash received for governmental activities during the year. Charges for services, or run receipts, constituted approximately 28.55 percent of total receipts. The District increased the user fees charged in 2009 to remain consistent with charges assessed by other emergency service providers.

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 District'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 District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund.

The notes to the basic 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.

Madison Emergency Medical District
Madison County
Management's Discussion and Analysis
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Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District 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 District'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.

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2011 and 2010, within the limitations of cash basis of accounting. The statement of net assets presents the cash balances of the governmental activities of the District at December 31, 2011 and December 31, 2010. The statement of activities compares cash disbursements with program receipts. Program receipts include charges for emergency medical services provided by District and operating and capital grants and contributions. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental activity draws from the District's general receipts.

These statements report the District'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 District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating.

The statement of net assets and the statement of activities present governmental activities, which includes all the District's services. Property and other local tax receipts finance most of these activities. The District has no business-type activities.

Reporting the District's Funds

Fund financial statements provide detailed information about the District's major funds - not the District as a whole. The District establishes separate funds to better manage its activities and to help demonstrate that moneys held by the District for restricted purposes are being used for the intended purpose. All of the District's funds are governmental.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The District's major governmental funds in 2011 and 2010 were the General Fund and the Permanent Improvement Fund. The District established a separate fund in 2004 for the accumulation of funds for future capital improvements. Because the District reports on a cash basis, the total of the governmental funds matches governmental activities and no reconciliation is required.

Madison Emergency Medical District
Madison County
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
(Unaudited)

The District as a Whole

Table 1 provides a summary of the District's net assets for 2011, 2010, and 2009 on the cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2011	2010	2009
Assets			
Cash	\$1,670,248	\$1,419,189	\$1,275,906
Total Assets	<u>\$1,670,248</u>	<u>\$1,419,189</u>	<u>\$1,275,906</u>
Net Assets			
Restricted for:			
Capital Outlay	200,169	200,169	250,000
Unrestricted	1,470,079	1,219,020	1,025,906
Total Net Assets	<u>\$1,670,248</u>	<u>\$1,419,189</u>	<u>\$1,275,906</u>

Net assets of governmental activities have increased \$394,342 since 2009 (\$251,059 and \$143,283 increases during 2011 and 2010, respectively). The primary reason for these changes is the 2009 increase in EMS run billing charges and the timing of the purchase of new vehicles and equipment. The District's plan is to replace one vehicle and related equipment every third year. The two years in-between when a new vehicle is not purchased will be used to accumulate funds to prevent the need to borrow monies to pay for the new vehicles and equipment.

Madison Emergency Medical District
Madison County
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
(Unaudited)

Table 2 reflects the changes in net assets in 2011, 2010, and 2009.

(Table 2)
Change in Net Assets

	Governmental Activities		
	2011	2010	2009
Receipts			
Program Receipts:			
Charges for Services and Sales	\$504,110	\$493,326	\$444,626
Operating Grants and Contributions	7,000	7,500	8,551
Total Program Receipts	511,110	500,826	453,177
General Receipts:			
Property and Other Local Taxes	987,882	955,794	947,106
Grants and Entitlements Not Restricted to Specific Programs	171,659	250,768	250,308
Payment in Lieu of Taxes	10,546	14,995	0
Interest	1,343	2,612	8,843
Miscellaneous	2,594	3,142	3,211
Total General Receipts	1,174,024	1,227,311	1,209,468
Total Receipts	1,685,134	1,728,137	1,662,645
Disbursements			
General Government	352,521	312,903	305,535
Public Safety	1,064,626	1,048,597	995,482
Capital Outlay	16,928	223,354	20,902
Total Disbursements	1,434,075	1,584,854	1,321,919
Increase in Net Assets	251,059	143,283	340,726
Net Assets, January 1	1,419,189	1,275,906	935,180
Net Assets, December 31	\$1,670,248	\$1,419,189	\$1,275,906

Property taxes levied for general purposes represent 58.62 percent and 55.31 percent of total receipts in 2011 and 2010, respectively, and are the primary revenue source of the District.

Disbursements for public safety operations represent 74.24 percent of the total disbursements in 2011, 66.16 percent of the total disbursements in 2010, and 75.31 percent of the total disbursements in 2009. These expenditures tie directly to the provision of emergency medical services. General government disbursements are comprised primarily of insurance and pension expense as well as the Clerk's salary and benefits.

Madison Emergency Medical District
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Management's Discussion and Analysis
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(Unaudited)

Governmental Activities

If you look at the statement of activities for 2011 you will see that the first column lists the major disbursements of the District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, which accounted for 24.58 percent of all disbursements in 2011, 19.74 percent of all disbursements in 2010, and 23.11 percent of all disbursements in 2009. Public safety disbursements accounted for 74.24 percent of the total disbursements in 2011, 66.16 percent of the total disbursements in 2010, and were 75.31 percent of the total disbursements in 2009. The next columns of the statement entitled program cash receipts identifies amounts received by the District that directly relate to providing the activities of the District. The net receipt (disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by general receipts. These net costs are paid from the general receipts which are presented at the bottom of the statement. 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 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$352,521	\$352,521	\$312,903	\$312,903	\$305,535	\$305,535
Public Safety	1,064,626	553,516	1,048,597	547,771	995,482	542,305
Capital Outlay	16,928	16,928	223,354	223,354	20,902	20,902
Total Disbursements	<u>\$1,434,075</u>	<u>\$922,965</u>	<u>\$1,584,854</u>	<u>\$1,084,028</u>	<u>\$1,321,919</u>	<u>\$868,742</u>

The District's Funds

Total governmental funds had receipts of \$1,685,134, \$1,728,137, and \$1,662,645 in 2011, 2010, and 2009, respectively. Total governmental funds had disbursements of \$1,434,075, \$1,584,854, and \$1,321,919, in 2011, 2010, and 2009, respectively.

General Fund receipts decreased \$43,003 in 2011, increased \$65,492 in 2010, and increased \$126,863 in 2009. The 2011 decrease was due primarily to a timing delay in receipt of a personal property tax receipt from the County Auditor's office. The 2010 increase was due primarily to increases in charges for services.

Permanent Improvement Fund receipts increased slightly in 2010 due to an increase of \$100,000 in the annual transfer from the General Fund while the District spent just under \$200,000 from this Fund in 2010 for the purchase of a new medic.

General Fund Budgeting Highlights

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations measure, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the District may appropriate.

The appropriation measure is the District's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established at the object level for all funds.

Madison Emergency Medical District
Madison County
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
(Unaudited)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Clerk. 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 certificate of estimated resources in effect at the time final appropriations were passed by the District.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District during the year.

Capital Assets and Debt Administration

Capital Assets

The District does not currently keep track of its capital assets for inclusion in the cash basis financial statements.

Debt

At December 31, 2011 and 2010, the District had no debt outstanding.

Contacting the District's Financial Management

This financial report is designed to provide our citizens and the District management with a general overview of the District's finances and to reflect the District'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 John Green, Clerk, Madison Emergency Medical District, PO Box 68, London, Ohio 43140.

Madison Emergency Medical District
Madison County
Statement of Net Assets - Cash Basis
December 31, 2011

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,670,248</u>
<i>Total Assets</i>	<u><u>\$1,670,248</u></u>
Net Assets	
Restricted for:	
Capital Outlay	\$200,169
Unrestricted	<u>1,470,079</u>
<i>Total Net Assets</i>	<u><u>\$1,670,248</u></u>

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

Madison Emergency Medical District
Madison County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2011

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$352,521	\$0	\$0	(\$352,521)
Public Safety	1,064,626	504,110	7,000	(553,516)
Capital Outlay	16,928	0	0	(16,928)
<i>Total Governmental Activities</i>	\$1,434,075	\$504,110	\$7,000	(922,965)
 General Receipts				
Property Taxes Levied for:				
General Purposes				987,882
Grants and Entitlements not Restricted to Specific Programs				171,659
Payment in Lieu of Taxes				10,546
Interest				1,343
Miscellaneous				2,594
<i>Total General Receipts</i>				1,174,024
<i>Change in Net Assets</i>				251,059
<i>Net Assets Beginning of Year</i>				1,419,189
<i>Net Assets End of Year</i>				\$1,670,248

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

Madison Emergency Medical District
Madison County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2011

	General Fund	Permanent Improvement Fund	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,470,079	\$200,169	\$1,670,248
<i>Total Assets</i>	<u>\$1,470,079</u>	<u>\$200,169</u>	<u>\$1,670,248</u>
Fund Balances			
Restricted for:			
Capital Projects	\$0	\$200,169	\$200,169
Unassigned	1,470,079	0	1,470,079
<i>Total Fund Balances</i>	<u>\$1,470,079</u>	<u>\$200,169</u>	<u>\$1,670,248</u>

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

Madison Emergency Medical District
Madison County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General Fund	Permanent Improvement Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$987,882	\$0	\$987,882
Payment in Lieu of Taxes	10,546	0	10,546
Intergovernmental	178,659	0	178,659
Interest	1,343	0	1,343
Charges for Services	504,110	0	504,110
Miscellaneous	2,594	0	2,594
<i>Total Receipts</i>	1,685,134	0	1,685,134
Disbursements			
Current:			
General Government	352,521	0	352,521
Public Safety	1,064,626	0	1,064,626
Capital Outlay	16,928	0	16,928
<i>Total Disbursements</i>	1,434,075	0	1,434,075
<i>Excess of Receipts Over Disbursements</i>	251,059	0	251,059
<i>Fund Balances Beginning of Year</i>	1,219,020	200,169	1,419,189
<i>Fund Balances End of Year</i>	<u>\$1,470,079</u>	<u>\$200,169</u>	<u>\$1,670,248</u>

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

Madison Emergency Medical District
Madison County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$960,000	\$960,000	\$987,882	\$27,882
Payment in Lieu of Taxes	0	0	10,546	10,546
Intergovernmental	275,000	275,000	178,659	(96,341)
Charges for Services	501,500	501,500	504,110	2,610
Interest	2,000	2,000	1,343	(657)
Miscellaneous	2,500	2,500	2,594	94
<i>Total Receipts</i>	<u>1,741,000</u>	<u>1,741,000</u>	<u>1,685,134</u>	<u>(55,866)</u>
Disbursements				
Current:				
General Government	337,179	358,904	352,521	6,383
Public Safety	1,273,000	1,251,275	1,064,626	186,649
Capital Outlay	25,000	25,000	16,928	8,072
<i>Total Disbursements</i>	<u>1,635,179</u>	<u>1,635,179</u>	<u>1,434,075</u>	<u>201,104</u>
<i>Excess of Receipts Over Disbursements</i>	105,821	105,821	251,059	145,238
Other Financing Disbursements				
Transfers Out	(150,000)	(150,000)	0	150,000
<i>Total Other Financing Disbursements</i>	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>	<u>150,000</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements and Other Financing Disbursements</i>	(44,179)	(44,179)	251,059	295,238
<i>Fund Balances Beginning of Year</i>	<u>1,219,020</u>	<u>1,219,020</u>	<u>1,219,020</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$1,174,841</u>	<u>\$1,174,841</u>	<u>\$1,470,079</u>	<u>\$295,238</u>

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

Madison Emergency Medical District
Madison County
Statement of Net Assets - Cash Basis
December 31, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,419,189</u>
<i>Total Assets</i>	<u><u>\$1,419,189</u></u>
Net Assets	
Restricted for:	
Capital Outlay	\$200,169
Unrestricted	<u>1,219,020</u>
<i>Total Net Assets</i>	<u><u>\$1,419,189</u></u>

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

Madison Emergency Medical District
Madison County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$312,903	\$0	\$0	(\$312,903)
Public Safety	1,048,597	493,326	7,500	(547,771)
Capital Outlay	223,354	0	0	(223,354)
<i>Total Governmental Activities</i>	<u>\$1,584,854</u>	<u>\$493,326</u>	<u>\$7,500</u>	<u>(\$1,084,028)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				955,794
Grants and Entitlements not Restricted to Specific Programs				250,768
Payment in Lieu of Taxes				14,995
Interest				2,612
Miscellaneous				3,142
<i>Total General Receipts</i>				<u>1,227,311</u>
<i>Change in Net Assets</i>				143,283
<i>Net Assets Beginning of Year</i>				<u>1,275,906</u>
<i>Net Assets End of Year</i>				<u>\$1,419,189</u>

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

Madison Emergency Medical District
Madison County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General Fund	Permanent Improvement Fund	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,219,020	\$200,169	\$1,419,189
<i>Total Assets</i>	<u>\$1,219,020</u>	<u>\$200,169</u>	<u>\$1,419,189</u>
Fund Balances			
Unreserved:			
Undesignated, Reported in:			
General Fund	\$1,219,020	\$0	\$1,219,020
Capital Projects Fund	<u>0</u>	<u>200,169</u>	<u>200,169</u>
<i>Total Fund Balances</i>	<u>\$1,219,020</u>	<u>\$200,169</u>	<u>\$1,419,189</u>

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

Madison Emergency Medical District
Madison County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Other Governmental Funds	Totals Governmental Funds
Receipts			
Property and Other Local Taxes	\$955,794	\$0	\$955,794
Payment in Lieu of Taxes	14,995	0	14,995
Intergovernmental	258,268	0	258,268
Interest	2,612	0	2,612
Charges for Services	493,326	0	493,326
Miscellaneous	3,142	0	3,142
<i>Total Receipts</i>	1,728,137	0	1,728,137
Disbursements			
Current:			
General Government	312,903	0	312,903
Public Safety	1,048,597	0	1,048,597
Capital Outlay	23,523	199,831	223,354
<i>Total Disbursements</i>	1,385,023	199,831	1,584,854
<i>Excess of Receipts Over (Under) Disbursements</i>	343,114	(199,831)	143,283
Other Financing Receipts (Disbursements)			
Transfers Out	(150,000)	0	(150,000)
Transfers In	0	150,000	150,000
<i>Total Other Financing Receipts (Disbursements)</i>	(150,000)	150,000	0
<i>Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements</i>	193,114	(49,831)	143,283
<i>Fund Balances Beginning of Year</i>	1,025,906	250,000	1,275,906
<i>Fund Balances End of Year</i>	\$1,219,020	\$200,169	\$1,419,189

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

Madison Emergency Medical District
Madison County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$950,000	\$950,000	\$955,794	\$5,794
Payment in Lieu of Taxes	0	0	14,995	14,995
Intergovernmental	275,000	275,000	258,268	(16,732)
Charges for Services	451,750	451,750	493,326	41,576
Interest	6,500	6,500	2,612	(3,888)
Miscellaneous	3,250	3,250	3,142	(108)
<i>Total Receipts</i>	<u>1,686,500</u>	<u>1,686,500</u>	<u>1,728,137</u>	<u>41,637</u>
Disbursements				
Current:				
General Government	358,079	358,079	312,903	45,176
Public Safety	1,141,500	1,141,500	1,048,597	92,903
Capital Outlay	40,000	40,000	23,523	16,477
<i>Total Disbursements</i>	<u>1,539,579</u>	<u>1,539,579</u>	<u>1,385,023</u>	<u>154,556</u>
<i>Excess of Receipts Over Disbursements</i>	146,921	146,921	343,114	196,193
Other Financing Disbursements				
Transfers Out	(50,000)	(150,000)	(150,000)	0
<i>Total Other Financing Disbursements</i>	<u>(50,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>
<i>Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</i>	96,921	(3,079)	193,114	196,193
<i>Fund Balances Beginning of Year</i>	<u>1,025,906</u>	<u>1,025,906</u>	<u>1,025,906</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$1,122,827</u>	<u>\$1,022,827</u>	<u>\$1,219,020</u>	<u>\$196,193</u>

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

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 1 – Reporting Entity

The Madison Emergency Medical District, Madison County, Ohio (the District), is a body politic and corporate established in 1983 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by an appointed seven-member Board of Trustees. One board member is appointed by each political subdivision within the District. Those subdivisions are the City of London, DeerCreek Township, Monroe Township, Oak Run Township, Paint Township, Somerford Township, and Union Township. The District also has a Clerk appointed by the Board who serves at the pleasure of the Board.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District provides emergency medical services within the District.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. There were no component units of the District for the years ended December 31, 2011 and 2010.

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

Note 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 and the fund financial statements for the proprietary funds, 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 District's accounting policies.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance and net assets of the governmental activities of the District at year end. The statement of activities compares disbursements with program receipts for each of the District'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 District is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. 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 governmental function is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use.

Governmental Funds

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The District's two major governmental funds are the General Fund and the Permanent Improvement Fund.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement Fund

The Permanent Improvement Fund is used to account for receipts restricted to acquiring or constructing major capital projects.

C. Basis of Accounting

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District'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.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations measure, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the District may appropriate.

The appropriations measure is the District's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Clerk. 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 certificate of estimated resources in effect at the time final appropriations were passed by the District.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the District during the year.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Investments

To improve cash management, cash received by the District is pooled and invested. Individual fund integrity is maintained through District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2011 and 2010, the District invested in a money market account and certificates of deposit through the local depository.

Interest earnings are allocated to District funds according to State statutes. Interest receipts credited to the General Fund during 2011 and 2010 totaled \$1,343 and \$2,612, respectively.

F. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District’s cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balances

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed – Trustees can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the General Fund report all balances as assigned unless they are restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District Trustees or a District official delegated that authority by resolution, or by State statute.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law 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 is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 4 – Deposits and Investments

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the District by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 4 - Deposits and Investments (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the District or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At December 31, 2011 and 2010, the carrying amounts of the District's deposits were \$1,670,248 and \$1,419,189, respectively, and the bank balances were \$1,675,134 and \$1,439,745, respectively. Of the bank balances, \$250,000 was covered by federal depository insurance and \$1,425,134 and \$1,189,745, respectively, was collateralized by the depository's collateral pool. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2011 and 2010, all of the District's bank balances were either covered by the Federal Deposit Insurance Corporation or collateralized with pooled securities held by the pledging financial institution in the manner described below.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the District. Real property tax receipts received in 2011 and 2010 represent the collection of 2010 and 2009 taxes. Real property taxes received in 2011 and 2010 were levied after October 1, 2010 and 2009, on the assessed values as of January 1, 2010 and 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2011 and 2010 represent the collection of 2010 and 2009 taxes. Public utility real and tangible personal property taxes received in 2011 and 2010 became a lien on December 31, 2010 and 2009, were levied after October 1, 2010 and 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2011 and 2010 (other than public utility property) represent the collection of 2011 and 2010 taxes. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 5 – Property Taxes (continued)

The full tax rate for all District operations for the years ended December 31, 2011 and 2010, was \$3 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2011 and 2010 property tax receipts were based are as follows:

	2011	2010
Real Property		
Residential/Agriculture	\$315,923,710	\$315,720,590
Other Real Property	55,543,330	58,663,490
Tangible Personal Property	13,611,010	13,911,270
Total Assessed Value	\$385,078,050	\$388,295,350

Note 6 – Risk Management

A. Risk Pool Membership

Prior to 2009, the District belonged to the Ohio Government Risk Management Plan (the “Plan”), an non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) – formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) – formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. – mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk Management (“OPRM”), are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009, respectively. The District participates in this coverage.

**Madison Emergency Medical District
Madison County**
*Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010*

Note 6 – Risk Management (continued)

The Plan formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political subdivisions and is a self-funded, group purchasing consortium that offers medical, dental, vision, and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays, and out-of-pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009, respectively. The District participates in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009 (the latest information available), and include amounts for both OPRM and OPHC.

	2010		2009	
	OPRM	OPHC	OPRM	OPHC
Assets	\$12,036,541	\$1,355,131	\$11,136,455	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,273,553)	(1,253,617)
Member’s Equity	\$7,191,485	\$300,035	\$6,862,902	\$105,185

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan’s website, www.ohioplan.org.

The District also provides health, dental, and vision insurance to full-time employees through a private carrier.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System.

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
1. The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan.
 2. The Member-Directed Plan – 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 member and (vested) employer contributions plus any investment earnings.
 3. The Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 7 – Defined Benefit Pension Plan (continued)

- B. OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interest parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011 and 2010, member and employer contribution rates were consistent across all three plans.

The member contribution rates were 10.0%, 10.0%, and 10.0% for 2011, 2010, and 2009, respectively, for the District.

The employer contribution rates were 14.0%, 14.0%, and 14.0% of covered payroll for 2011, 2010, and 2009, respectively, for the District.

- F. The District's contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$125,129, \$123,509, and \$119,814, respectively, which were equal to the required contributions for those years.

Note 8 - Postemployment Benefits

A. Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care 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.

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 Statement 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 visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

Madison Emergency Medical District
Madison County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 8 - Postemployment Benefits (continued)

B. Funding Policy

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 2011 and 2010, state and local employers contributed at a rate of 14.00% of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code. 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 Board of Trustees 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 for members in the Traditional Plan was 4.0% during calendar year 2011, 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011, 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

C. Information from employer's records

The employer contributions that were used to fund post-employment benefits were \$35,749 for 2011, \$41,449 for 2010, and \$50,423 for 2009.

D. OPERS Retirement Board Implements its Health Care Preservation Plan.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
Madison Emergency Medical District
PO Box 68
London, Ohio 43140

We have audited the financial statements of the governmental activities and each major fund of Madison Emergency Medical District, Madison County, Ohio (the District) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the District's basis financial statements and have issued our report thereon dated July 30, 2012, wherein we noted the District follows the cash basis of accounting, a basis of accounting other than generally accepted accounting principles. We also noted, for the year ended December 31, 2011, the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. 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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting and which is described in the accompanying schedule of findings and responses as item 2011-001. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Madison Emergency Medical District
Madison County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 one instance of noncompliance or another matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2011-002.

We noted certain matters that we reported to management of the District in a separate letter dated July 30, 2012.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Trustees, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

July 30, 2012

Madison Emergency Medical District
Madison County Madison County
Schedule of Findings and Responses
For the Years Ended December 31, 2011 and 2010

Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

FINDING NUMBER 2011-001

Significant Deficiency – Financial Reporting

A monitoring system by the District should be in place to prevent or detect misstatements for the accurate presentation of the District's financial statements. The District misclassified receipts in 2010 and 2011. The District should implement additional monitoring procedures to ensure receipts are properly recorded.

Client Response:

Client chose not to respond.

FINDING NUMBER 2011-002

Material Noncompliance – Prior Encumbrance of Funds

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing unit from making any contract or order for any expenditure of money unless a certificate signed by the Clerk is attached thereto. The Clerk must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the Clerk can certify that both at the time that the contract or order was made ("then"), and at the time that the Clerk is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the Clerk without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificate – The Clerk may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Clerk for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Madison Emergency Medical District
Madison County Madison County
Schedule of Findings and Responses
For the Years Ended December 31, 2011 and 2010

FINDING NUMBER 2011-002 (Continued)

Material Noncompliance – Prior Encumbrance of Funds (Continued)

Purchase orders are not issued by the District unless they are required by the vendor for a purchase. “Then and now” certificate language is included on each check but certificates are not issued. Unless the District uses the exceptions noted above, prior certification is not only required by statute but is also a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District’s funds exceeding budgetary spending limitations, the Clerk should certify that funds are or will be available prior to obligation by the District. When prior certification is not possible, “then and now” certification should be used.

Client Response:

Client chose not to respond.



Dave Yost • Auditor of State

MADISON EMERGENCY MEDICAL DISTRICT

MADISON 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
DECEMBER 13, 2012**