

Madison Emergency Medical District  
Madison County  
Regular Audit  
For the Years Ended December 31, 2013 and 2012



Millhuff-Stang, CPA, Inc.  
1428 Gallia Street, Suite 2  
Portsmouth, Ohio 45662  
Phone: 740.876.8548 ■ Fax: 888.876.8549  
Website: [www.milhuffstangcpa.com](http://www.milhuffstangcpa.com) ■ Email: [natalie@milhuffstangcpa.com](mailto:natalie@milhuffstangcpa.com)





# Dave Yost • Auditor of State

Board of Trustees  
Madison Emergency Medical District  
P. O. Box 68  
London, Ohio 43140

We have reviewed the *Independent Auditor's Report* of the Madison Emergency Medical District, Madison County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2012 through December 31, 2013. 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 cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

August 14, 2014

**This page intentionally left blank.**

**Madison Emergency Medical District**  
**Madison County**  
*Table of Contents*  
For the Years Ended December 31, 2013 and 2012

---

Title	Page
Independent Auditor’s Report.....	1-3
Management’s Discussion and Analysis.....	4-9
Basic Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2013.....	10
Statement of Activities – Cash Basis – For the Year Ended December 31, 2013.....	11
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – December 31, 2013.....	12
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2013.....	13
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2013.....	14
Statement of Net Position – Cash Basis – December 31, 2012.....	15
Statement of Activities – Cash Basis – For the Year Ended December 31, 2012.....	16
Statement of Cash Basis Assets and Fund Balances – Governmental Funds – December 31, 2012.....	17
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2012.....	18
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2012.....	19
Notes to the Basic Financial Statements.....	20-30
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	31-32
Schedule of Findings and Responses.....	33-34
Schedule of Prior Year Findings.....	35

**Independent Auditor's Report**

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

**Report on the Financial Statements**

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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatements.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### **Opinion**

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, 2013 and 2012, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

### **Accounting Basis**

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

### **Emphasis of Matter**

As discussed in Note 10 to the financial statements, during 2012, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Supplemental and Other Information*

We audited to opine on the District's financial statements that collectively comprise its basic financial statements.

Management's discussion and analysis includes tables of net position, changes in net position, and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are 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 the management's discussion and analysis, and we express no opinion or any other assurance on it.

Madison Emergency Medical District  
Madison County  
Independent Auditor's Report

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of the District'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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* in considering the District's internal control over financial reporting and compliance.



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

June 27, 2014



**Madison Emergency Medical District**  
**Madison County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2013 and 2012*  
*(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 year ended December 31, 2013, 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 2013 are as follows:

Net position decreased by 7.18 percent, or \$134,860 when compared to 2012. Intergovernmental receipts decreased in 2013, however, charges for services increased in 2013.

The District's primary funding source is property and other local tax receipts. These receipts represented approximately 57.02 percent of the total cash received for governmental activities during the year. Charges for services, or run receipts, constituted approximately 34.94 percent of total receipts.

Key highlights for 2012 are as follows:

Net position increased by 12.44 percent, or \$207,837 when compared with 2011. Both intergovernmental receipts and charges for services increased in 2012.

This District's primary funding source is property and other local tax receipts. These receipts represent approximately 54.64 percent of the total cash received for governmental activities during the year. Charges for services, or run receipts, constituted approximately 30.57 percent of total receipts. The District increased the user fees charged in 2012 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 position 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*  
*For the Years Ended December 31, 2013 and 2012*  
*(Unaudited)*

---

**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 position and the statement of activities reflect how the District did financially during 2013 and 2012, within the limitations of cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the District at December 31, 2013 and December 31, 2012. 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 position 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 2013 and 2012 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, 2013 and 2012*  
*(Unaudited)*

---

**The District as a Whole**

Table 1 provides a summary of the District's net position for 2013, 2012, and 2011 on the cash basis:

(Table 1)  
Net Position

	Governmental Activities		
	2013	2012	2011
Assets			
Cash	\$1,743,225	\$1,878,085	\$1,670,248
Total Assets	\$1,743,225	\$1,878,085	\$1,670,248
Net Position			
Restricted for:			
Capital Outlay	425,599	425,169	200,169
Unassigned	1,317,626	1,452,916	1,470,079
Total Net Position	\$1,743,225	\$1,878,085	\$1,670,248

Net position of governmental activities have increased \$72,977 since 2011 (\$134,860 decrease and \$207,837 increase during 2013 and 2012, respectively). The primary reason for these changes is 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. The District delayed the planned 2012 purchase of a new vehicle until 2013, when two vehicles were purchased.

**Madison Emergency Medical District**  
**Madison County**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2013 and 2012*  
*(Unaudited)*

Table 2 reflects the changes in net position in 2013, 2012, and 2011.

(Table 2)  
Change in Net Position

	Governmental Activities		
	2013	2012	2011
Receipts			
Program Receipts:			
Charges for Services and Sales	\$595,799	\$538,420	\$504,110
Operating Grants and Contributions	3,961	5,987	7,000
Total Program Receipts	599,760	544,407	511,110
General Receipts:			
Property and Other Local Taxes	972,357	962,247	987,882
Grants and Entitlements Not Restricted to Specific Programs	129,340	237,597	171,659
Payment in Lieu of Taxes	374	2,457	10,546
Interest	597	1,648	1,343
Miscellaneous	2,958	12,725	2,594
Total General Receipts	1,105,626	1,216,674	1,174,024
Total Receipts	1,705,386	1,761,081	1,685,134
Disbursements			
General Government	325,524	371,813	352,521
Public Safety	1,044,039	1,136,418	1,064,626
Capital Outlay	470,683	45,013	16,928
Total Disbursements	1,840,246	1,553,244	1,434,075
Increase (Decrease) in Net Position	(134,860)	207,837	251,059
Net Position, January 1	1,878,085	1,670,248	1,419,189
Net Position, December 31	\$1,743,225	\$1,878,085	\$1,670,248

Property taxes levied for general purposes represent 57.02 percent and 54.64 percent of total receipts in 2013 and 2012, respectively, and are the primary revenue source of the District.

Disbursements for public safety operations represent 56.73 percent of the total disbursements in 2013, 73.16 percent of the total disbursements in 2012, and 74.24 percent of the total disbursements in 2011. 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**  
**Madison County**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2013 and 2012  
(Unaudited)

---

**Governmental Activities**

If you look at the statement of activities 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 17.69 percent of all disbursements in 2013, 23.94 percent of all disbursements in 2012, and 24.58 percent of all disbursements in 2011. Public safety disbursements accounted for 56.73 percent of the total disbursements in 2013, 73.16 percent of the total disbursements in 2012, and were 74.24 percent of the total disbursements in 2011. 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 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
General Government	\$325,524	\$325,524	\$371,813	\$371,813	\$352,521	\$352,521
Public Safety	1,044,039	444,279	1,136,418	592,011	1,064,626	553,516
Capital Outlay	470,683	470,683	45,013	45,013	16,928	16,928
<b>Total Disbursements</b>	<b>\$1,840,246</b>	<b>\$1,240,486</b>	<b>\$1,553,244</b>	<b>\$1,008,837</b>	<b>\$1,434,075</b>	<b>\$922,965</b>

**The District's Funds**

The General fund had receipts of \$1,705,386, \$1,761,081, and \$1,685,134 in 2013, 2012, and 2011, respectively. Total governmental funds had disbursements of \$1,390,676, \$1,553,244, and \$1,434,075, in 2013, 2012, and 2011, respectively.

General Fund receipts decreased \$55,695 in 2013, increased \$75,947 in 2012, and decreased \$43,003 in 2011. The 2013 and 2011 decreases were due primarily to a timing delay in receipt of a personal property tax receipt from the County Auditor's office. The 2012 increase was due primarily to increases in charges for services.

Permanent Improvement Fund receipts increased in 2013 due to an increase of \$225,000 in the annual transfer from the General Fund. The District did spend monies from this Fund in 2013 for the replacement of two vehicles.

**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, 2013 and 2012*  
*(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, 2013 and 2012, 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 Rebecca L. Shipley-Arnott, Clerk, Madison Emergency Medical District, 40 East Center Street, London, Ohio 43140.

**Madison Emergency Medical District**  
**Madison County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2013*

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,743,225</u>
<i>Total Assets</i>	<u><u>\$1,743,225</u></u>
<b>Net Position</b>	
Restricted for:	
Capital Outlay	\$425,599
Unassigned	<u>1,317,626</u>
<i>Total Net Position</i>	<u><u>\$1,743,225</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, 2013*

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$325,524	\$0	\$0	(\$325,524)
Public Safety	1,044,039	595,799	3,961	(444,279)
Capital Outlay	470,683	0	0	(470,683)
<i>Total Governmental Activities</i>	\$1,840,246	\$595,799	\$3,961	(1,240,486)
 <b>General Receipts</b>				
Property Taxes Levied for:				
General Purposes				972,357
Grants and Entitlements not Restricted to Specific Programs				129,340
Payment in Lieu of Taxes				374
Interest				597
Miscellaneous				2,958
<i>Total General Receipts</i>				1,105,626
<i>Change in Net Position</i>				(134,860)
<i>Net Position Beginning of Year</i>				1,878,085
<i>Net Position End of Year</i>				\$1,743,225

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, 2013*

	General Fund	Permanent Improvement Fund	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,317,626	\$425,599	\$1,743,225
<i>Total Assets</i>	<u>\$1,317,626</u>	<u>\$425,599</u>	<u>\$1,743,225</u>
<b>Fund Balances</b>			
Restricted for:			
Capital Projects	\$0	\$425,599	\$425,599
Unassigned	1,317,626	0	1,317,626
<i>Total Fund Balances</i>	<u>\$1,317,626</u>	<u>\$425,599</u>	<u>\$1,743,225</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, 2013*

	General Fund	Permanent Improvement Fund	Total Governmental Funds
<b>Receipts</b>			
Property and Other Local Taxes	\$972,357	\$0	\$972,357
Payment in Lieu of Taxes	374	0	374
Intergovernmental	133,301	0	133,301
Interest	597	0	597
Charges for Services	595,799	0	595,799
Miscellaneous	2,958	0	2,958
<i>Total Receipts</i>	<u>1,705,386</u>	<u>0</u>	<u>1,705,386</u>
<b>Disbursements</b>			
Current:			
General Government	325,524	0	325,524
Public Safety	1,044,039	0	1,044,039
Capital Outlay	21,113	449,570	470,683
<i>Total Disbursements</i>	<u>1,390,676</u>	<u>449,570</u>	<u>1,840,246</u>
<i>Excess of Receipts Over(Under) Disbursements</i>	314,710	(449,570)	(134,860)
Other Financing Receipts/(Disbursements):			
Transfers Out	(450,000)	0	(450,000)
Transfers In	0	450,000	450,000
Total Other Financing Receipts/(Disbursements)	<u>(450,000)</u>	<u>450,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(135,290)	430	(134,860)
<i>Fund Balances Beginning of Year</i>	<u>1,452,916</u>	<u>425,169</u>	<u>1,878,085</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,317,626</u></u>	<u><u>\$425,599</u></u>	<u><u>\$1,743,225</u></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, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$981,492	\$981,492	\$972,357	(\$9,135)
Payment in Lieu of Taxes	0	0	374	374
Intergovernmental	200,000	200,000	133,301	(66,699)
Charges for Services	515,000	515,000	595,799	80,799
Interest	1,000	1,000	597	(403)
Miscellaneous	3,600	3,600	2,958	(642)
<i>Total Receipts</i>	<u>1,701,092</u>	<u>1,701,092</u>	<u>1,705,386</u>	<u>4,294</u>
<b>Disbursements</b>				
Current:				
General Government	387,635	387,635	325,524	62,111
Public Safety	1,123,000	1,123,000	1,044,039	78,961
Capital Outlay	25,000	25,000	21,113	3,887
<i>Total Disbursements</i>	<u>1,535,635</u>	<u>1,535,635</u>	<u>1,390,676</u>	<u>144,959</u>
<i>Excess of Receipts Over Disbursements</i>	165,457	165,457	314,710	149,253
<b>Other Financing Disbursements</b>				
Transfers Out	(225,000)	(450,000)	(450,000)	0
<i>Total Other Financing Disbursements</i>	<u>(225,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>0</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements and Other Financing Disbursements</i>	(59,543)	(284,543)	(135,290)	149,253
<i>Fund Balances Beginning of Year</i>	<u>1,452,916</u>	<u>1,452,916</u>	<u>1,452,916</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,393,373</u></u>	<u><u>\$1,168,373</u></u>	<u><u>\$1,317,626</u></u>	<u><u>\$149,253</u></u>

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

**Madison Emergency Medical District**  
**Madison County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2012*

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,878,085</u>
<i>Total Assets</i>	<u><u>\$1,878,085</u></u>
<b>Net Position</b>	
Restricted for:	
Capital Outlay	\$425,169
Unassigned	<u>1,452,916</u>
<i>Total Net Position</i>	<u><u>\$1,878,085</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, 2012*

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$371,813	\$0	\$0	(\$371,813)
Public Safety	1,136,418	538,420	5,987	(592,011)
Capital Outlay	45,013	0	0	(45,013)
<i>Total Governmental Activities</i>	<u>\$1,553,244</u>	<u>\$538,420</u>	<u>\$5,987</u>	<u>(\$1,008,837)</u>
<b>General Receipts</b>				
Property Taxes Levied for:				
				962,247
				237,597
				2,457
				1,648
				<u>12,725</u>
<i>Total General Receipts</i>				<u>1,216,674</u>
<i>Change in Net Position</i>				207,837
<i>Net Position Beginning of Year</i>				<u>1,670,248</u>
<i>Net Position End of Year</i>				<u><u>\$1,878,085</u></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, 2012*

	General Fund	Permanent Improvement Fund	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,452,916	\$425,169	\$1,878,085
<i>Total Assets</i>	<u>\$1,452,916</u>	<u>\$425,169</u>	<u>\$1,878,085</u>
<b>Fund Balances</b>			
Restricted for:			
Capital Projects	\$0	\$425,169	\$425,169
Unassigned	1,452,916	0	1,452,916
<i>Total Fund Balances</i>	<u>\$1,452,916</u>	<u>\$425,169</u>	<u>\$1,878,085</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, 2012*

	General Fund	Permanent Improvement Fund	Totals Governmental Funds
<b>Receipts</b>			
Property and Other Local Taxes	\$962,247	\$0	\$962,247
Payment in Lieu of Taxes	2,457	0	2,457
Intergovernmental	243,584	0	243,584
Interest	1,648	0	1,648
Charges for Services	538,420	0	538,420
Miscellaneous	12,725	0	12,725
<i>Total Receipts</i>	1,761,081	0	1,761,081
<b>Disbursements</b>			
Current:			
General Government	371,813	0	371,813
Public Safety	1,136,418	0	1,136,418
Capital Outlay	45,013	0	45,013
<i>Total Disbursements</i>	1,553,244	0	1,553,244
<i>Excess of Receipts Over (Under) Disbursements</i>	207,837	0	207,837
<b>Other Financing Receipts (Disbursements)</b>			
Transfers Out	(225,000)	0	(225,000)
Transfers In	0	225,000	225,000
<i>Total Other Financing Receipts (Disbursements)</i>	(225,000)	225,000	0
<i>Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements</i>	(17,163)	225,000	207,837
<i>Fund Balances Beginning of Year</i>	1,470,079	200,169	1,670,248
<i>Fund Balances End of Year</i>	<u>\$1,452,916</u>	<u>\$425,169</u>	<u>\$1,878,085</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$0	\$0	\$962,247	\$962,247
Payment in Lieu of Taxes	0	0	2,457	2,457
Intergovernmental	0	0	243,584	243,584
Charges for Services	0	0	538,420	538,420
Interest	0	0	1,648	1,648
Miscellaneous	0	0	12,725	12,725
<i>Total Receipts</i>	<u>0</u>	<u>0</u>	<u>1,761,081</u>	<u>1,761,081</u>
<b>Disbursements</b>				
Current:				
General Government	0	0	371,813	(371,813)
Public Safety	0	0	1,136,418	(1,136,418)
Capital Outlay	0	0	45,013	(45,013)
<i>Total Disbursements</i>	<u>0</u>	<u>0</u>	<u>1,553,244</u>	<u>(1,553,244)</u>
<i>Excess of Receipts Over Disbursements</i>	0	0	207,837	207,837
<b>Other Financing Disbursements</b>				
Transfers Out	0	0	(225,000)	(225,000)
<i>Total Other Financing Disbursements</i>	<u>0</u>	<u>0</u>	<u>(225,000)</u>	<u>(225,000)</u>
<i>Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</i>	0	0	(17,163)	(17,163)
<i>Fund Balances Beginning of Year</i>	<u>1,470,079</u>	<u>1,470,079</u>	<u>1,470,079</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$1,470,079</u>	<u>\$1,470,079</u>	<u>\$1,452,916</u>	<u>(\$17,163)</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, 2013 and 2012*

---

**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, 2013 and 2012.

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.

**Madison Emergency Medical District**  
**Madison County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

---

**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 position 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 position 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 position presents the cash balance and net position 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.

**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.

**Madison Emergency Medical District**  
**Madison County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

---

**Note 2 – Summary of Significant Accounting Policies** (continued)

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.

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".

**Madison Emergency Medical District**  
**Madison County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

---

**Note 2 – Summary of Significant Accounting Policies** (continued)

**E. Cash and Investments** (continued)

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 2013 and 2012, 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 2013 and 2012 totaled \$597 and \$1,648, 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. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**H. 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.

**I. 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.

**J. 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.

**K. 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, 2013 and 2012*

---

**Note 2 – Summary of Significant Accounting Policies** (continued)

**L. Net Position**

Net position is 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 position is available.

**M. Fund Balances**

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, 2013 and 2012*

---

**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, 2013 and 2012*

---

**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, 2013 and 2012, the carrying amounts of the District's deposits were \$1,743,225 and \$1,878,085, respectively, and the bank balances were \$1,751,301 and \$1,940,185, respectively. Of the bank balances, \$250,000 was covered by federal depository insurance and \$1,501,301 and \$1,690,185, 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, 2013 and 2012, 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 2013 and 2012 represent the collection of 2012 and 2011 taxes. Real property taxes received in 2013 and 2012 were levied after October 1, 2012 and 2011, on the assessed values as of January 1, 2012 and 2011, 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 2013 and 2012 represent the collection of 2012 and 2011 taxes. Public utility real and tangible personal property taxes received in 2013 and 2012 became a lien on December 31, 2012 and 2011, were levied after October 1, 2012 and 2011, 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 2013 and 2012 (other than public utility property) represent the collection of 2013 and 2012 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, 2013 and 2012*

---

**Note 5 – Property Taxes** (continued)

The full tax rate for all District operations for the years ended December 31, 2013 and 2012, was \$3 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2013 and 2012 property tax receipts were based are as follows:

	2013	2012
Real Property		
Residential/Agriculture	\$338,865,850	\$338,164,480
Other Real Property	60,823,960	57,854,820
Tangible Personal Property	14,599,420	13,434,270
Total Assessed Value	\$414,289,230	\$409,453,570

**Note 6 – Risk Management**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a 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.

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.

OPRM coverage programs 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 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011 respectively.

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, 2012 and 2011 (the latest information available).

	2012	2011
Assets	\$13,100,381	\$12,501,280
Liabilities	(6,687,193)	(5,328,761)
Members' Equity	\$6,413,188	\$7,172,519

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).



**Madison Emergency Medical District**  
**Madison County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

---

**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.
- 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 2013 and 2012, member and employer contribution rates were consistent across all three plans.
- The member contribution rates were 10.0% for 2013, 2012, and 2011, for the District.
- The employer contribution rates were 14.0% of covered payroll for 2013, 2012, and 2011, for the District.
- F. The District's contributions to OPERS for the years ended December 31, 2013, 2012, and 2011 were \$120,814, \$122,463, and \$125,129, 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 (being phased out), 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.

**Madison Emergency Medical District**  
**Madison County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

---

**Note 8 - Postemployment 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 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.

**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 2013 and 2012, 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 postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0% during calendar year 2013 and 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2013 and 6.05% in calendar year 2012. Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to 2% for both plans, as recommended by OPERS Actuary. 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 portion of the employer contributions that were used to fund post-employment benefits are approximately \$7,925 for 2013, \$34,988 for 2012, and \$35,749 for 2011.

**D. OPERS Board of Trustees Adopt Changes to the Health Care Plan**

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**Madison Emergency Medical District**  
**Madison County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

---

**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.

**Note 10 – Change in Accounting Principal**

For 2012, the District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the District’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.

**Note 11 – Interfund Transfers**

During 2013 and 2012, the General Fund transferred \$450,000 and \$225,000, respectively, to the Permanent Improvement fund to provide additional resources. Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These transfers were made for the purpose of purchasing two new emergency medical vehicles for the District.

**Note 12 – Noncompliance**

The Township did not always certify the availability of funds contrary to Ohio Revised Code Section 5705.41(D).

The annual appropriation measure was not filed with the County Auditor in 2012, contrary to Ohio Revised Code 5705.38(A).

In 2013, expenditures exceeded appropriations in the capital improvement fund, contrary to Ohio Revised Code 5705.41(B)

**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, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 27, 2014, wherein we noted the District prepared its financial statements on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles, and that the District adopted Governmental Accounting Standards Board Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position."

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control, that we consider to be a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2013-001 to be a material weaknesses.

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 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2013-002 through 2013-004.

### **District's Responses to Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

June 27, 2014

**Madison Emergency Medical District**  
**Madison County Madison County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2013 and 2012*

---

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

**FINDING NUMBER 2013-001**

**Material Weakness – Budgetary Information in UAN**

Accurate budgetary information within the District’s accounting ledgers is pertinent to ensure that the District has accurate and complete information for decision-making processes. Budgetary information entered into the accounting system did not match amounts per the amended certificates and appropriations. Failure to properly document authorized budgetary amounts does not allow for proper monitoring of budget to actual figures. The District should implement the appropriate procedures to ensure that only authorized budgetary amounts are included in their system.

***Client Response:***

Client chose not to respond.

**FINDING NUMBER 2013-002**

**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.

**Madison Emergency Medical District**  
**Madison County Madison County**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2013 and 2012*

---

**Material Noncompliance – Prior Encumbrance of Funds (Continued)**

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.

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.

**FINDING NUMBER 2013-003**

**Material Noncompliance – Annual Appropriation Measure**

Ohio Revised Code 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. Ohio Revised Code Section 5705.39 states that no appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The annual appropriation measure for 2012 was not filed with the County Auditor and the measure for 2013 was not filed timely with the county. The District should implement the appropriate procedures to ensure that annual appropriation measures are adopted by the District and filed with the County Auditor in a timely fashion.

***Client Response:***

Client chose not to respond.

**FINDING NUMBER 2013-004**

**Material Noncompliance – Expenditures in Excess of Appropriations**

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. In 2012, the District did not file the Annual Appropriation measure with the County. As a result, all expenditures in the General and Permanent Improvement Funds exceeded appropriations. In 2013, expenditures exceeded appropriations in the Permanent Improvement fund and in the General and Permanent Improvement funds from January 1<sup>st</sup> until the appropriation measure was filed with the County Auditor. The District should pass an annual appropriation measure and file it with the County Auditor before any money is spent. Further, the District should monitor appropriations verses expenditures to ensure compliance.

***Client Response:***

Client chose not to respond.

**Madison Emergency Medical District**  
**Madison County Madison County**  
*Schedule of Prior Year Findings*  
*For the Years Ended December 31, 2013 and 2012*

---

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Significant Deficiency – financial reporting	No	Reissued in the Management Letter
2011-002	Material Noncompliance – Prior Encumbrance of Funds	No	Reissued as Finding Number 2013-002





# 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  
AUGUST 26, 2014**