



**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007-2006



Mary Taylor, CPA
Auditor of State

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Madison Emergency Medical District
Madison County
P.O. Box 68
London, Ohio 43140

To the Board of Trustees:

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, 2007 and 2006, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of Madison Emergency Medical District, Madison County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Mary Taylor, CPA
Auditor of State

March 31, 2008

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(UNAUDITED)**

This discussion and analysis of the Madison County Emergency Medical District's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2007 and December 31, 2006, within the limitations of the District's cash basis 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 2007 are as follows:

Net assets decreased by 8.1 percent, or \$67,568, as compared to 2006. This was due to the purchase of a new medic during 2007.

The District's primary funding source is property and other local tax receipts. These receipts represented approximately 66.5 percent of the total cash received for governmental activities during the year. Charges for services, or run receipts, constituted approximately 21.9 percent of total receipts. The District has not increased the user fees charged since 2004 when they were increased to remain consistent with charges assessed by other emergency service providers.

Key highlights for 2006 are as follows:

Net assets increased by 29.9 percent, or \$193,061, as compared to 2005. This was due to increased property tax and charges for services revenues.

The District's primary funding source is property and other local tax receipts. These receipts represented approximately 66.2 percent of the total cash received for governmental activities during the year. Charges for services, or run receipts, constituted approximately 22.2 percent of total receipts. The District has increased fees charged to non-residents of the District in recent years to remain consistent with 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, fund financial statements, 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 YEAR ENDED DECEMBER 31, 2007 AND 2006
(UNAUDITED)
(Continued)**

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 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the District at December 31, 2007 and December 31, 2006. The statement of activities compares cash disbursements with program receipts. Program receipts include charges for emergency medical services provided by District. 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 2007 and 2006 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 YEAR ENDED DECEMBER 31, 2007 AND 2006
(UNAUDITED)
(Continued)**

The District as a Whole

Table 1 provides a summary of the District's net assets for 2007, 2006, and 2005 on the cash basis:

**(Table 1)
Net Assets**

	Governmental Activities		
	2007	2006	2005
Assets			
Cash	\$771,309	\$838,877	\$645,816
Total Assets	\$771,309	\$838,877	\$645,816
Net Assets			
Restricted for:			
Capital Outlay	150,000	100,000	50,000
Unrestricted	621,309	738,877	595,816
Total Net Assets	\$771,309	\$838,877	\$645,816

Net assets of governmental activities have increased \$125,493 since 2005 (\$67,568 decrease and \$193,061 increase during 2007 and 2006, 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.

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(UNAUDITED)
(Continued)**

Table 2 reflects the changes in net assets in 2007, 2006, and 2005.

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

	Governmental Activities		
	2007	2006	2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$294,256	\$301,350	\$267,044
Operating Grants and Contributions	\$6,500	\$8,000	\$32,738
Capital Grants and Contributions	10,350	39,379	0
Total Program Receipts	<u>311,106</u>	<u>348,729</u>	<u>299,782</u>
General Receipts:			
Property and Other Local Taxes	893,716	898,440	854,167
Grants and Entitlements Not Restricted to Specific Programs	97,756	86,205	97,168
Interest	35,019	20,456	8,242
Miscellaneous	7,175	4,223	4,116
Total General Receipts	<u>1,033,666</u>	<u>1,009,324</u>	<u>963,693</u>
Total Receipts	<u>1,344,772</u>	<u>1,358,053</u>	<u>1,263,475</u>
Disbursements:			
General Government	274,475	245,650	245,737
Public Safety	944,134	842,318	790,931
Capital Outlay	193,731	77,024	27,347
Total Disbursements	<u>1,412,340</u>	<u>1,164,992</u>	<u>1,064,015</u>
Increase (Decrease) in Net Assets	(67,568)	193,061	199,460
Net Assets, January 1	<u>838,877</u>	<u>645,816</u>	<u>446,356</u>
Net Assets, December 31	<u><u>\$771,309</u></u>	<u><u>\$838,877</u></u>	<u><u>\$645,816</u></u>

Property taxes levied for general purposes represent 66.5 percent of total receipts in 2007 and are the primary revenue source of the District for 2007 and 2006.

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(UNAUDITED)
(Continued)**

Disbursements for public safety operations represent 66.8 percent of the total disbursements in 2007 and were 72.3 percent of the total disbursements in 2006 and 74.3 percent of the total disbursements in 2005. These expenditures tie directly to 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.

Governmental Activities

If you look at the Statement of Activities for 2007 and for 2006, 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 19 percent of all disbursements in 2007, 21 percent of all disbursements in 2006 and 24 percent of disbursements in 2005. Public safety accounted for 69 percent of disbursements in 2007, 72 percent of disbursements in 2006 and 74 percent of disbursements in 2005. 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)

	<u>Governmental Activities</u>			
	Total Cost Of Services	Net Cost (Gain) of Services	Total Cost Of Services	Net Cost (Gain) of Services
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
General Government	\$274,475	(\$274,475)	\$245,650	(\$245,650)
Public Safety	944,134	(643,378)	842,318	(493,589)
Capital Outlay	193,731	(183,381)	77,024	(77,024)
Total Expenses	<u>\$1,412,340</u>	<u>(\$1,101,234)</u>	<u>\$1,164,992</u>	<u>(\$816,263)</u>
	Total Cost Of Services	Net Cost (Gain) of Services		
	<u>2005</u>	<u>2005</u>		
General Government	\$245,737	(\$245,737)		
Public Safety	790,931	(491,149)		
Capital Outlay	27,347	(27,347)		
Total Expenses	<u>\$1,064,015</u>	<u>(\$764,233)</u>		

The District's Funds

Total governmental funds had receipts of \$1,344,772, \$1,358,053, and \$1,263,475, in 2007, 2006, and 2005, respectively. Total governmental funds had disbursements of \$1,412,340, \$1,164,992, and \$1,064,015, in 2007, 2006, and 2005, respectively.

General Fund receipts decreased \$13,281 in 2007 and increased \$94,578 in 2006 compared to 2005. The decrease was due primarily to decreases in grant monies received.

Permanent Improvement Fund receipts remained the same due to the District transferring \$50,000 into the Permanent Improvement Fund each year.

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(UNAUDITED)
(Continued)**

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 fund, department, and 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 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 certificated 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, 2007 & 2006, the District had no debt outstanding.

Contacting the Government'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 County Emergency Medical District, PO Box 68, London, Ohio 43140.

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 771,309
<i>Total Assets</i>	<u>771,309</u>
Net Assets	
Restricted for:	
Capital Projects	150,000
Unrestricted	<u>621,309</u>
<i>Total Net Assets</i>	<u>\$ 771,309</u>

See accompanying notes to the basic financial statements

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 274,475.00	\$ -	\$ -	\$ -	\$ (274,475.00)
Public Safety	944,134	294,256	6,500	-	(643,378)
Capital Outlay	193,731	-	-	10,350	(183,381)
Total	\$ 1,412,340	\$ 294,256	\$ 6,500	\$ 10,350	(1,101,234)
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			893,716
		Grants and Entitlements not Restricted to Specific Programs			97,756
		Interest			35,019
		Miscellaneous			7,175
		<i>Total General Receipts</i>			<u>1,033,666</u>
		Change in Net Assets			(67,568)
		<i>Net Assets Beginning of Year</i>			<u>838,877</u>
		<i>Net Assets End of Year</i>			<u>\$ 771,309</u>

See accompanying notes to the basic financial statements

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	<u>General</u>	<u>Permanent Improvement Fund</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 621,309	\$ 150,000	\$ 771,309
<i>Total Assets</i>	<u>621,309</u>	<u>150,000</u>	<u>771,309</u>
Fund Balances			
Reserved:			
Reserved for Encumbrances	34,000	-	34,000
General Fund	587,309	-	587,309
Capital Projects Funds	-	150,000	150,000
<i>Total Fund Balances</i>	<u>\$ 621,309</u>	<u>\$ 150,000</u>	<u>\$ 771,309</u>

See accompanying notes to the basic financial statements

**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, 2007**

	General	Permanent Improvement Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$ 893,716	\$ -	\$ 893,716
Charges for Services	294,256	-	294,256
Intergovernmental	104,256	-	104,256
Interest	35,019	-	35,019
Other	17,525	-	17,525
<i>Total Receipts</i>	<u>1,344,772</u>	<u>-</u>	<u>1,344,772</u>
Disbursements			
Current:			
General Government	274,475	-	274,475
Public Safety	944,134	-	944,134
Capital Outlay	193,731	-	193,731
<i>Total Disbursements</i>	<u>1,412,340</u>	<u>-</u>	<u>1,412,340</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(67,568)</u>	<u>-</u>	<u>(67,568)</u>
Other Financing Sources (Uses)			
Transfers In	-	50,000	50,000
Transfers Out	(50,000)	-	(50,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(117,568)	50,000	(67,568)
<i>Fund Balances Beginning of Year</i>	<u>738,877</u>	<u>100,000</u>	<u>838,877</u>
<i>Fund Balances End of Year</i>	<u>\$ 621,309</u>	<u>\$ 150,000</u>	<u>\$ 771,309</u>

See accompanying notes to the basic financial statements

**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, 2007**

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 1,085,000	\$ 1,085,000	\$ 893,716	\$ (191,284)
Charges for Services	325,000	325,000	294,256	(30,744)
Intergovernmental	10,000	10,000	104,256	94,256
Interest	20,000	20,000	35,019	15,019
Other	500	500	17,525	17,025
<i>Total receipts</i>	<u>1,440,500</u>	<u>1,440,500</u>	<u>1,344,772</u>	<u>(95,728)</u>
Disbursements				
Current:				
General Government	301,638	295,638	274,475	21,163
Public Safety	975,000	1,021,000	944,134	76,866
Capital Outlay	25,000	35,000	20,065	14,935
<i>Total Disbursements</i>	<u>1,301,638</u>	<u>1,351,638</u>	<u>1,238,674</u>	<u>112,964</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>138,862</u>	<u>88,862</u>	<u>106,098</u>	<u>17,236</u>
Other Financing Sources (Uses)				
Transfers Out	(50,000)	(50,000)	(50,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	88,862	38,862	56,098	17,236
<i>Fund Balance Beginning of Year</i>	<u>531,211</u>	<u>531,211</u>	<u>531,211</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 620,073</u>	<u>\$ 570,073</u>	<u>\$ 587,309</u>	<u>\$ 17,236</u>

See accompanying notes to the basic financial statements

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 838,877</u>
<i>Total Assets</i>	<u><u>838,877</u></u>
Net Assets	
Restricted for:	
Capital Projects	100,000
Unrestricted	<u>738,877</u>
<i>Total Net Assets</i>	<u><u>\$ 838,877</u></u>

See accompanying notes to the basic financial statements

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 245,650	\$ -	\$ -	\$ -	\$ (245,650)
Public Safety	842,318	301,350	8,000	39,379	(493,589)
Capital Outlay	77,024	-	-	-	(77,024)
Total	<u>\$ 1,164,992</u>	<u>\$ 301,350</u>	<u>\$ 8,000</u>	<u>\$ 39,379</u>	<u>\$ (816,263)</u>
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			898,440
		Grants & Entitlements not Restricted to Specific Programs			86,205
		Interest			20,456
		Miscellaneous			4,223
		<i>Total General Receipts</i>			<u>1,009,324</u>
		Change in Net Assets			193,061
		<i>Net Assets Beginning of Year</i>			<u>645,816</u>
		<i>Net Assets End of Year</i>			<u>\$ 838,877</u>

See accompanying notes to the basic financial statements

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	<u>General</u>	<u>Permanent Improvement Fund</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 738,877	\$ 100,000	\$ 838,877
<i>Total Assets</i>	<u>738,877</u>	<u>100,000</u>	<u>838,877</u>
Fund Balances			
Reserved:			
Reserved for Encumbrances	207,666	-	207,666
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	531,211	-	531,211
Capital Project Fund	-	100,000	100,000
<i>Total Fund Balances</i>	<u>\$ 738,877</u>	<u>\$ 100,000</u>	<u>\$ 838,877</u>

See accompanying notes to the basic financial statements

**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, 2006**

	General	Permanent Improvement Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$ 898,440	\$ -	\$ 898,440
Charges for Services	301,350	-	301,350
Intergovernmental	133,584	-	133,584
Interest	20,456	-	20,456
Other	4,223	-	4,223
<i>Total Receipts</i>	<u>1,358,053</u>	<u>-</u>	<u>1,358,053</u>
Disbursements			
Current:			
General Government	245,650	-	245,650
Public Safety	842,318	-	842,318
Capital Outlay	77,024	-	77,024
<i>Total Disbursements</i>	<u>1,164,992</u>	<u>-</u>	<u>1,164,992</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>193,061</u>	<u>-</u>	<u>193,061</u>
Other Financing Sources (Uses)			
Transfers In	-	50,000	50,000
Transfers Out	(50,000)	-	(50,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	143,061	50,000	193,061
<i>Fund Balances Beginning of Year</i>	<u>595,816</u>	<u>50,000</u>	<u>645,816</u>
<i>Fund Balances End of Year</i>	<u>\$ 738,877</u>	<u>\$ 100,000</u>	<u>\$ 838,877</u>

See accompanying notes to the basic financial statements

**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, 2006**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 985,000	\$ 985,000	\$ 898,440	\$ (86,560)
Charges for Services	250,000	250,000	301,350	51,350
Intergovernmental	40,000	40,000	133,584	93,584
Interest	8,500	8,500	20,456	11,956
Other	2,000	2,000	4,223	2,223
<i>Total receipts</i>	<u>1,285,500</u>	<u>1,285,500</u>	<u>1,358,053</u>	<u>72,553</u>
Disbursements				
Current:				
General Government	271,950	273,950	245,650	28,300
Public Safety	873,250	893,250	842,318	50,932
Capital Outlay	22,000	288,000	284,690	3,310
<i>Total Disbursements</i>	<u>1,167,200</u>	<u>1,455,200</u>	<u>1,372,658</u>	<u>82,542</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>118,300</u>	<u>(169,700)</u>	<u>(14,605)</u>	<u>155,095</u>
Other Financing Sources (Uses)				
Transfers Out	(50,000)	(50,000)	(50,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	68,300	(219,700)	(64,605)	155,095
<i>Fund Balance Beginning of Year</i>	<u>595,816</u>	<u>595,816</u>	<u>595,816</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 664,116</u>	<u>\$ 376,116</u>	<u>\$ 531,211</u>	<u>\$ 155,095</u>

See accompanying notes to the basic financial statements

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006**

Note 1 – Reporting Entity

The Madison County 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, Deer Creek 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 year ended December 31, 2007 and 2006.

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 modified 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.

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.

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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 and charges for services.

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 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, operating and capital 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 years, 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 years. 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

1. 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

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

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

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 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 certificated 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".

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 2 – Summary of Significant Accounting Policies (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 2007 and 2006, 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 were credited to the General Fund during 2007 and 2006 totaling \$35,019 and \$20,456 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

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 Balance Reserves

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

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 – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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.

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 4 - Deposits and Investments (Continued)

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) and by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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.

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 4 - Deposits and Investments (Continued)

At December 31, 2007 and 2006, the carrying amount of the District's deposits was \$771,309 and \$838,877, and the bank balance was \$776,753 and \$851,659. Of the bank balance, \$200,000 was covered by federal depository insurance and \$576,753 and \$651,659 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, 2007 and 2006, \$576,753 and \$651,659 of the District's bank balance of \$776,753 and \$851,659 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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 2007 and 2006 represent the collection of 2006 and 2005 taxes. Real property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the assessed values as of January 1, 2006 and 2005, 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 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility real and tangible personal property taxes received in 2006 and 2005 became a lien on December 31, 2004 and 2003, were levied after October 1, 2006 and 2005, 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 2007 and 2006 (other than public utility property) represent the collection of 2007 and 2006 taxes. Tangible personal property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the true value as of December 31, 2006 and 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 5 – Property Taxes (Continued)

The full tax rate for all District operations for the year ended December 31, 2007 and 2006, was \$3 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were based are as follows:

Real Property	<u>2007</u>	<u>2006</u>
Residential/Agriculture	\$ 278,561,910	\$ 272,584,770
Other Real Property	51,311,760	49,914,370
Tangible Personal Property	42,116,460	47,455,040
Total Assessed Value	\$ 371,990,130	\$ 369,954,180

Note 6 – Risk Management

Risk Pool Membership

The Government belongs to 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 over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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: 2006 and 2005 (the latest information available).

	<u>2006</u>	<u>2005</u>
Assets	\$9,620,148	\$8,219,430
Liabilities	(3,329,620)	(2,748,639)
Members' Equity	\$6,290,528	\$5,470,791

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

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 6 – Risk Management (Continued)

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

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007 and 2006, the members of all three plans, were required to contribute 9.5 percent of their annual covered salaries in 2007 and required to contribute 9 percent of their annual covered salaries in 2006. The District's contribution rate for pension benefits for 2007 was 13.85 percent and 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, 2005, and 2004 were \$112,223, \$100,485, \$92,013, and \$85,375 respectively. The District contributed \$103,685 of the 2007 obligation by year-end with the fourth quarter liability to be paid in the first quarter of 2008. The full amount has been contributed for 2006, 2005 and 2004.

Note 8 - Postemployment Benefits

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 for 2007 and 13.7 for 2006 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

Note 8 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 0.50 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 374,979. Actual employer contributions for 2007 and 2006 which were used to fund postemployment benefits were \$48,615 and \$33,009. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

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.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Madison Emergency Medical District
Madison County
P.O. Box 68
London, Ohio 43140

To the Board of Trustees:

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 year ended December 31, 2007 and 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 31, 2008, wherein, we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the District's management in a separate letter dated March 31, 2008

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated March 31, 2008.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

March 31, 2008

**MADISON EMERGENCY MEDICAL DISTRICT
MADISON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Expenditure of Public Funds/Proper "Public Purpose"	Yes	
2005-002	Travel Expenditures	Yes	



Mary Taylor, CPA
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
JULY 31, 2008**