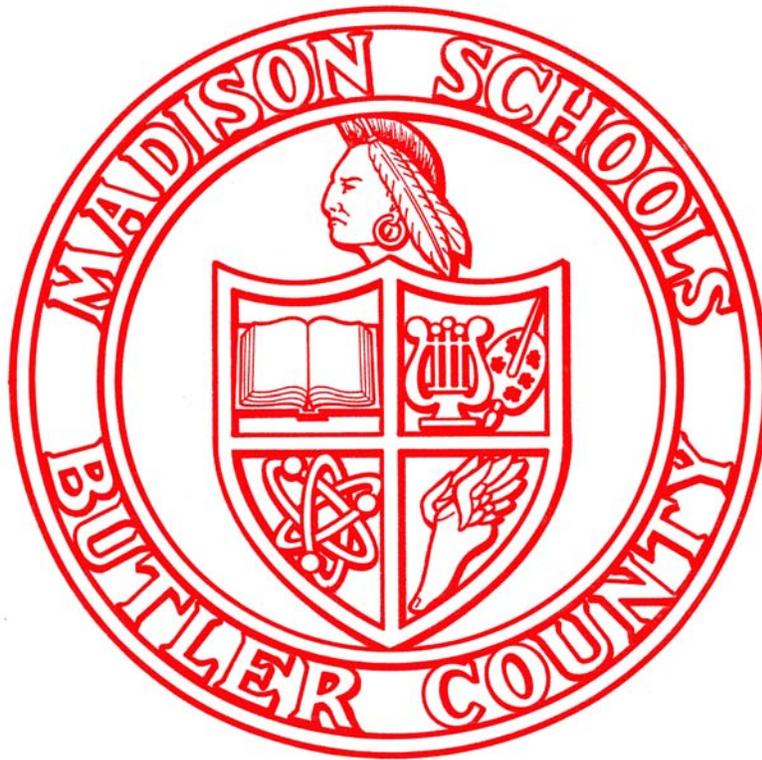

MADISON LOCAL SCHOOL DISTRICT

Butler County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009



Mary Taylor, CPA
Auditor of State

Board of Education
Madison Local School District
1324 Middletown-Eaton Road
Middletown, Ohio 45042

We have reviewed the *Independent Auditors' Report* of the Madison Local School District, Butler County, prepared by Bastin & Company, LLC, for the audit period July 1, 2008 through June 30, 2009. 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 Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 3, 2010

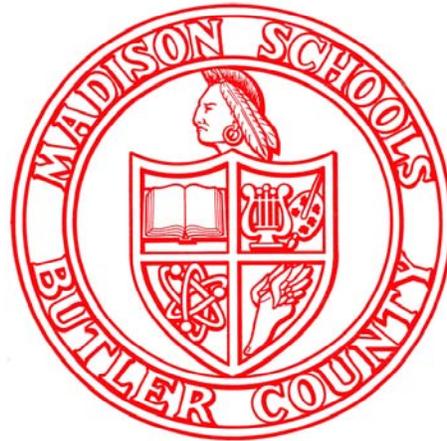
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MADISON LOCAL SCHOOL DISTRICT, OHIO



MADISON LOCAL SCHOOL DISTRICT, OHIO

Middletown, Butler County, Ohio



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2009**

Prepared by:

**Mr. Mark Zimov
Treasurer**

MADISON LOCAL SCHOOL DISTRICT, OHIO



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MADISON LOCAL SCHOOL DISTRICT, OHIO

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MADISON LOCAL SCHOOL DISTRICT, OHIO

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MADISON LOCAL SCHOOL DISTRICT, OHIO

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INTRODUCTORY SECTION

MADISON LOCAL SCHOOL DISTRICT, OHIO



MADISON BOARD OF EDUCATION



Tom York, Superintendent
Mark A. Zimov, Treasurer/CFO

December 18, 2009

To the Honorable Board of Education and
Citizens of the Madison Local School District:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Board of Education of the Madison Local School District (the "District") for the fiscal year ended June 30, 2009. This report was prepared by the Office of the Treasurer and includes the report of the independent auditor, Bastin & Company, LLC. The independent auditors' report concludes that the District's financial statements for the year ended June 30, 2009 are prepared in conformity with generally accepted accounting principles. The independent auditor's report is included as the first component of the financial section of this report.

This report also contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the District. The responsibility for the accuracy of all data presented and its completeness and fairness of presentation rests with the office of the Treasurer. All disclosures necessary to enable the reader to gain an understanding of the District's activities have been included herein.

Internal accounting controls are an integral part of this system and are designed to achieve the fundamental objectives of safeguarding assets, providing reasonable assurance that financial transactions are properly recorded, and ensuring that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management.

The MD&A provides a narrative introduction, overview and analysis to accompany the basic financial statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditors' Report. This Report can be found on the District's web site: <http://www.madisonmohawks.org>.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations (June, 2003 Revision)*. Information related to this single audit, including a schedule of federal financial assistance, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, are included in a separately issued single audit report.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2009

Profile of the District

The District includes a portion of the City of Middletown located in Madison Township, on the west bank of the Great Miami River, with a total area of approximately 31 square miles. The vast majority of the district can be described as residential, with only limited commercial activity. The school district is by far the largest employer within the district's boundaries.

The District operates 3 schools: 2 elementary schools and 1 junior/senior high schools (7-12). A new elementary wing will be completed for use in the Fall of 2010. Attached to the 1999 Junior/Senior High School, this facility will consolidate all grade levels under one roof, providing new opportunities for efficient delivery of coordinated, effective programs. State of the art educational technology will be incorporated into both buildings, with plans for annual investments to keep students learning in 21st century fashion. Funding for the \$19.8 million building project is primarily from the Ohio School Facilities Commission, with only about \$3 million of district funds necessary to add amenities in support of additional program and community needs. The local monies were secured through a long-term lease-purchase agreement that will be paid from the district's permanent improvement fund. The new elementary building project is thus being delivered with no additional burden on taxpayers.

The District's 2008-09 enrollment (K-12), including open enrollment and excluding community school students, was 1,566 students. The District served 98% of the 1,521 children who reside within its boundaries. Daily transportation was provided for 873 public students and 56 for non-public (parochial & community school) students. Buses traveled an average of 1,121 miles each school day for the 2008-09 school year.

Madison Local School District offers a comprehensive academic program including College preparatory classes, honors classes, advanced placement courses, gifted education, vocational programs, and a special education services. The school district provides after school tutoring, in school academic intervention, speech/language therapy, occupational and physical therapy, and counseling. In addition, Madison School District offers students the opportunity to participate in a wide range of extracurricular activities. The district has achieved above "Value Added" for the last two years. This Value Added ranking indicates that the district has helped students achieve more than one year of academic growth each school year. On the State of Ohio's 2008-09 Report Card the district was rated "Excellent" and continues to achieve annual district goals.

The Board of Education of the Madison Local School District (Board) is a body both politic and corporate charged with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by the general laws of the State of Ohio (Ohio Revised Code). The Board is comprised of five (5) members who are elected for overlapping four-year terms.

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. The Superintendent is appointed by the Board for a term not longer than five years and is responsible for administering Board-adopted policies, expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the schools governed by the Board.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Letter of Transmittal

For the Fiscal Year Ended June 30, 2009

Thomas York was appointed Superintendent of Schools effective May 1, 2009, contracted through July 31, 2011. Mr. York was previously Superintendent of Schools for neighboring Edgewood Local School District, and has a total of 30 years in public education. He received a Master of Education degree from Xavier University in 1983 and a Bachelor of Science degree from Miami University in 1977. He also holds a second Bachelor's degree in History and a second Master's degree in Christian Education, both from Evangel University.

The Treasurer/CFO is appointed by the Board for a term not longer than five years and serves as the chief financial officer of the Board of Education and, with the president of the Board of Education, executes all conveyances made by the Board of Education. The Treasurer is responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law.

The current Treasurer/CFO, Mark A. Zimov, is under contract for a term ending July 31, 2010. Mr. Zimov holds a Masters Degree in Public Administration from the University of Kentucky (1995) and a Bachelor of Science degree from Northern Arizona University (1982). Mr. Zimov has served as Treasurer in Ohio public school districts for the past 6 years (3 at Madison), and in other school finance positions in other states - a total of 12 years in public education. In 2009, Mr. Zimov was awarded professional registration as a Registered School Business Fiscal Officer (RSBFO) by the Ohio Association of School Business Officials. Mr. Zimov has served on the OASBO Auditor of State Advisory Committee since 2008.

Major Initiatives and Events – FY 2009

Pre-Kindergarten Initiative - Madison Local Schools implemented a Pre-Kindergarten Program for resident families with children age four to five. The goal of the Pre-Kindergarten Program is to provide early education opportunities for Madison students. Pre-Kindergarten programs have been shown to aid in the early education success in such areas as motor skills and language/social skills as well as impact the future of student's success by decreasing the need for special education intervention and increasing graduation rates.

Research-Directed Professional Development - Language Arts and Math teachers Pre-K through 6 are utilizing continuous professional development to increase their knowledge of scientifically-based reading and math instruction, based on rigorous data analyses. The professional development compliments the district's mission to work together to ensure that all of our students become contributing members of a global society through enhanced curriculum and academic experiences.

Construction of PK-6 Elementary School - Groundbreaking and construction for a PK-6 elementary school addition began September 10, 2008. The new 101,258 square foot Madison PK-6 Elementary School will have a capacity of holding 848 students and will highlight a concession area featuring indoor restrooms opposed to outdoor portable facilities and a concession stand and ticket booth that will facilitate both indoor and outdoor sporting events. Additionally, the project includes a Main Plaza area for student/community use, a fully landscaped courtyard and a media center and auxiliary computer lab. The new facility will be complete for the 2010-2011 school year.

MADISON LOCAL SCHOOL DISTRICT, OHIO

*Letter of Transmittal
For the Fiscal Year Ended June 30, 2009*



Aerial View



South Entrance



East Entrance

MADISON LOCAL SCHOOL DISTRICT, OHIO

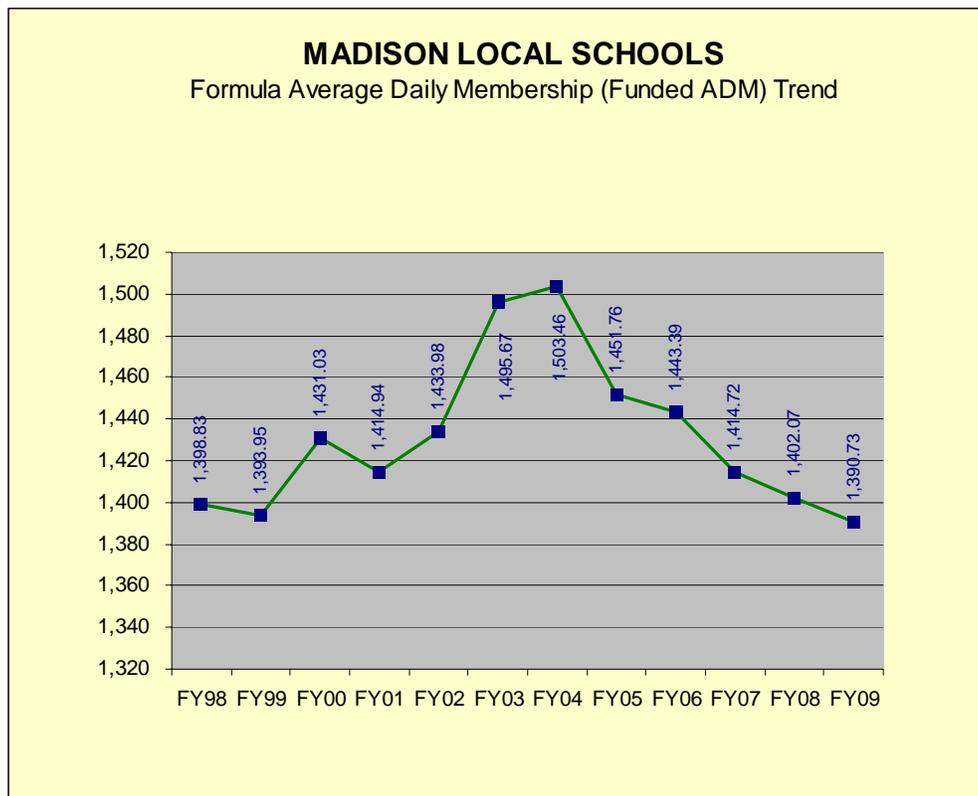
*Letter of Transmittal
For the Fiscal Year Ended June 30, 2009*

District Achieves “Excellent” Rating from Ohio Department of Education - The “Excellent” rating for the Madison Local Schools demonstrates the district has received high ratings on every measure including the State Indicators, Performance Index Scores, Value-added Growth, and Adequate Yearly Progress specifically shown by special groups of students such as students with disabilities, those from low-income families, students of different races, and/or ethnic groups or native languages.

Individually, all three buildings maintain an “Effective” rating with student achievement exceeding the state’s expectations for a year’s worth of academic growth over the last two years, propelling the district to the “Excellent” designation. Also noted, although the district is making strides on test scores in math and reading, the district will continue to work toward elevated levels of success in both areas through professional development for teachers, individualized education for students and constant collection and analysis of the student achievement data.

Local Economic Condition and Outlook

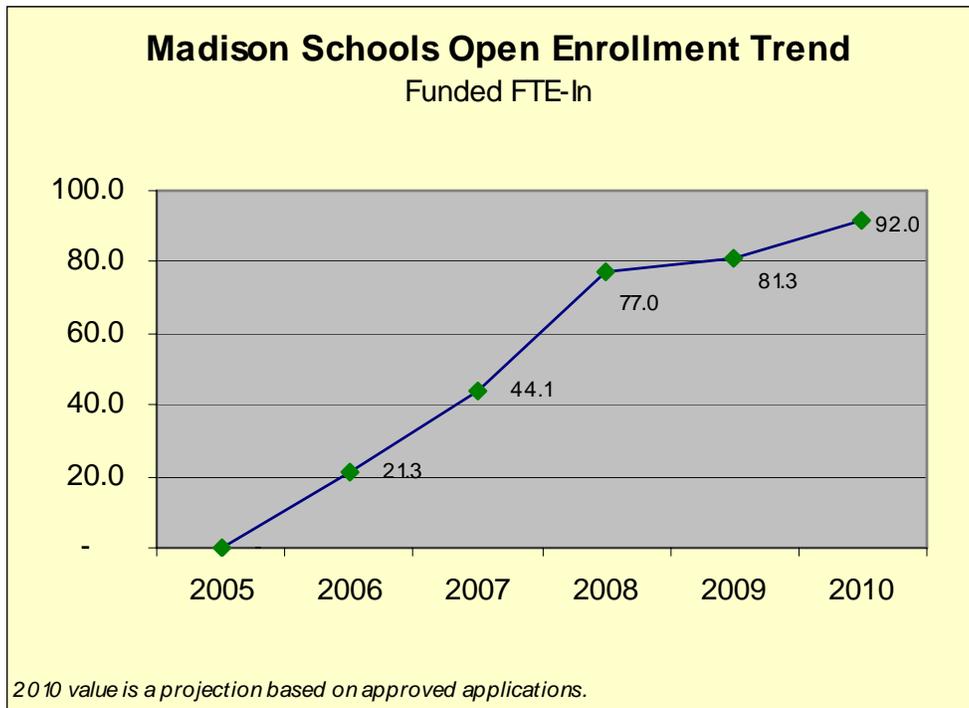
The local economy of Madison Local School District is tied to conditions in the City of Middletown as well as economic factors affecting SW Ohio. In 2008, a sexennial reappraisal of property values netted only a fraction of the historic increase in the district’s tax base. With an annual trend of slightly declining local enrollment (1.5%), the district faces reduced unrestricted state funding, which comprised 50.2% of 2009 operating revenues. Inflation of the tax base has been the district’s major source of new funding to offset increasing costs. In 2011, the district will face another “Update” of property values, and all indications are that while recovery in the housing market may be underway, an increase in valuation at historical levels cannot be assumed. Revenue growth is a major concern for Madison Schools.



MADISON LOCAL SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2009

One bright facet of the district's finances revolves around Open Enrollment. Each year, the district admits a number of students from adjacent school districts. This results in the collection of an annual per pupil amount from those districts. In 2009, that amount was \$5,732 for regular full-time students. This amount represents the state share of education, as well as the local "Charge Off" amount, which is the calculated residential district's share of educating a student. Madison Schools uses Open Enrollment to fill empty classroom seats. There is potential from this source to supplant losses in unrestricted state funding due to local enrollment losses and losses from revision of the state funding formula.



Another area for concern is that of revenue losses from resident students attending Community Schools. These losses amounted to \$377,417 in FY09, representing 89% of the net gain in funding from Open Enrollment. The level of funding Madison loses to private Community Schools is more than the same loss of other larger Butler County school districts. Program changes to specifically serve students needing an alternative educational setting, and an organized public relations campaign to tout recent program successes and the district's elevation to an "Excellent" rating are planned to target the disproportionate drain of resources from Community Schools.

The district's funding from Ohio's new Evidence Based Funding Model (EBFM) represents a loss of unrestricted state funding from the 2009 "Foundation" level. Since 2006, the district has been on a state guarantee that provided 100% of the previous year's basic aid despite formula-driven decreases to the aid calculation. The guarantee is phased-out from the new EBFM formula, providing only 99% of the prior year's funding in 2010, and 98% of that amount in 2011. The goal is to get all districts adequately-funded on the new formula, irrespective of guarantees. Increases in the calculated "Local Share" (charge off) from growth in assessed property values are integral to meeting that goal under the new formula. By 2014, it is estimated that Madison's annual unrestricted state aid will decline by \$273,187 from the 2009 level under the new PASS funding model written in current law.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2009

The district also receives funding from a .5% income tax on residents. Current unemployment has reached double-digit percentages in the state, 11.1% as of June 2009. Ohio's unemployment has nearly doubled from 5.7% in January 2008. A downturn in the manufacturing sector compounded by the condition of the housing market has fueled the precipitous drop in employment at the state and local levels. Projections from the Ohio Department of Taxation are that the state's employment situation will lag behind recovery of the overall economy, with a rebound expected in late 2011 or early 2012. Madison's income tax receipts were down 10.3% in the first two quarters of collections in 2009 compared to the same quarters in 2008.

Revisions to the state tax code are targeting the drop in business activity, making the state more attractive for economic development. Ohio has begun phasing out its Tangible Personal Property and Inventory taxes, as well as other taxes on business, all in an effort to spur economic growth. More than one half the nation's population, manufacturers, and purchasing power are located within 600 miles of SW Ohio. With a more supportive tax environment, sufficient surplus labor, and superior industrial infrastructure, Middletown is poised to share in the state's manufacturing recovery. In addition, awareness about K-12 education and its importance for sustained economic growth has come of age in Ohio. This bodes well for Madison and all similar small school districts that rely on state support for the lion's share of their operating revenue. Future changes to the PASS school funding model and other laws will be critical to achieving the goal of providing adequate and equal educational opportunities to all Ohio's children without overburdening local taxpayers.

Long-term Financial Planning

The Madison Board of Education uses the Five Year Financial Forecast, prepared each October and May, to steer a financial course for the district that balances educational goals with fiscal responsibility to the taxpayers. The forecast is prepared with School Business Solutions software (R.W. Baird Co.) by the CFO, who attends conferences and seminars on topics that contribute valuable information for projecting revenues and expenditures based on current law and a multitude of other variables.

Early in 2010, after new board members take office by virtue of the November 2009 general election, the board of education is planning a special session to develop fiscal goals and a long range plan for dealing with the financial challenges facing the district. The goal of this work session is to not only provide operational guidance, but to empower administration in the development and promotion of excellence in district programs. By providing competitive, effective programs that are understood and valued by the community, the loss of local residents to out-migration and community schools may be curtailed. In addition, with the maintenance of an "Excellent" rating from the Ohio Department of Education, it is possible that more families will have an incentive to locate within the district, providing necessary revenue growth from an expanding tax base and enhanced state funding.

New tax levies are necessary under the current system of school funding. While Madison has always been a good steward of public dollars, public awareness must be promoted that the funds provided by any one levy are only sufficient as long as growth in total operational funding meets or exceeds the growth of operating costs. The board of education and administration are working to develop such awareness, as well as delivery of the best educational opportunities possible for students and the community. Public relations and constant program improvement will be key elements in the long range financial plan of the district.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2009

Financial Information

Accounting System – The District’s accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Internal Controls – The Treasurer/CFO of the District is responsible for establishing internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Management Team is responsible for assisting with implementation of the established internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management. Management believes the internal controls adequately meet the above objective.

Single Audit – As a recipient of federal and state financial assistance, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to these programs. Internal controls are subject to periodic evaluation and audit by the Treasurer, Management Team and staff of the District.

As part of the District’s single audit, tests are made to determine the adequacy of the internal controls, including that portion relating to federal financial assistance programs, as well as to verify that the District has complied with applicable laws and regulations. The results of the District’s single audit for the fiscal year ended June 30, 2009, as of this writing, revealed no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

Budgetary Controls – The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund, department and object level. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2009

Independent Audit - State statute requires an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The Auditor of State has contracted the District Audit for fiscal year ended June 30, 2009 to Bastin & Company, LLC, an independent certified public accounting firm. In addition to meeting the requirements of state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984, the 1996 amendments thereto, and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

Acknowledgments - The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the central administrative office. I would like to express my sincere appreciation to all persons who helped gather and analyze information for this report. I am also grateful for the professional services of Donald J. Schonhardt & Associates, for their assistance in preparing this report. Due credit should also be given to the Board of Education and the Superintendent for their leadership and support in planning and conducting the operations of the District in a responsible and progressive manner.

Sincerely,



Mark A. Zimov, MPA, RSFBO
Treasurer & CFO

MADISON LOCAL SCHOOL DISTRICT, OHIO

***List of Principal Officials
For the Fiscal Year Ended June 30, 2009***

Members of the Board of Education:



Tim Young
President

Term expires 12/31/2011



Glenn Cappel
Vice President

Term expires 12/31/2009



Dave French
Board Member

Term expires 12/31/2011



Brian McGuire
Board Member

Term expires 12/31/2009



Pete Robinson
Board Member

Term expires 12/31/2009

MADISON LOCAL SCHOOL DISTRICT, OHIO

List of Principal Officials For the Fiscal Year Ended June 30, 2009

District Administration:

Name	Title
Tom York	Superintendent
Mark A. Zimov	Treasurer/CFO
Gayle Bolinger	Assistant Treasurer
Ed Dulle	Director of Support Services
Debbie Morrison	Director of Special Education
Cheryl Scrivner	Director of Curriculum and Instruction
Amber Huff	Director of Community Relations and Grant Writing
Joy Shaw	Director of Technology
Mike Chaney	Principal, Madison Primary School
Matt Gray	Principal, Madison Intermediate School
Curtis Philpot	Principal, Madison Junior/Senior High School
Justin Smith	Assistant Principal, Madison Junior/Senior High School
Darren Stevens	Assistant Principal, Madison Junior/Senior High School



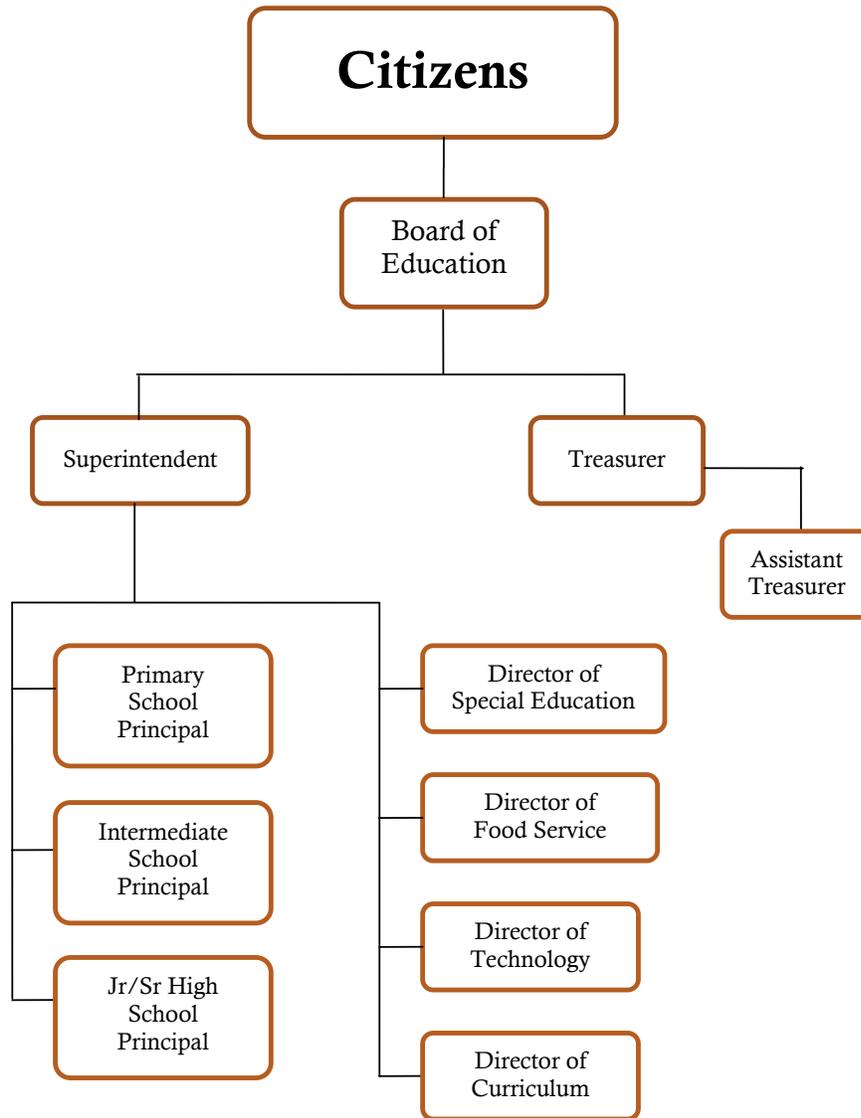
Tom York
Superintendent



Mark Zimov
Treasurer/CFO

MADISON LOCAL SCHOOL DISTRICT, OHIO

*Organizational Chart
For the Fiscal Year Ended June 30, 2009*



FINANCIAL SECTION

MADISON LOCAL SCHOOL DISTRICT, OHIO



Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Madison Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Local School District, Butler County, Ohio, (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Local School District, Butler County, Ohio, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Bastin & Company, L L C". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
December 18, 2009

MADISON LOCAL SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009*

Unaudited

The discussion and analysis of Madison Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2009 are as follows:

- Net assets increased \$108,637, which represents a .5% increase from 2008.
- General revenues accounted for \$13,363,462 in revenue or 85.9% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,192,960, or 14.1% of total revenues of \$15,556,422.
- The District had \$15,447,785 in expenses related to governmental activities; \$2,192,960 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$13,363,462 were also available to provide for these programs.
- Among major funds, the General Fund had \$12,920,063 in revenues and other financing sources and \$12,461,522 in expenditures and other financing uses. The General Fund's fund balance increased \$458,541 to \$2,704,083. Revenues increased from 2008 by 7%, primarily due to an increase in property tax receipts and property allocation reimbursements. Expenditures increased 4.5% from 2008 primarily due to increased salary and benefit costs, increased payments for contract busing services, and instructional services to residents provided by other entities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009***

Unaudited

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District reflect the following category for its activities:

Governmental Activities – The District's programs and services are reported as governmental activities and include instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009***

Unaudited

Fiduciary Funds – The District is the trustee, or fiduciary, for various student-managed activity programs listed as an agency fund. All of the District's fiduciary activities are reported in the Statement of Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table provides a summary of the District's net assets for 2009 compared to 2008.

	Governmental Activities		Increase (Decrease)
	2009	2008	
Current and other assets	\$27,169,536	\$30,180,558	(\$3,011,022)
Capital assets, Net	15,005,881	12,919,006	2,086,875
Total assets	42,175,417	43,099,564	(924,147)
Long-term debt outstanding	15,005,788	15,525,892	(520,104)
Other liabilities	6,090,120	6,602,800	(512,680)
Total liabilities	21,095,908	22,128,692	(1,032,784)
Net assets			
Invested in capital assets, net of related debt	2,533,325	165,652	2,367,673
Restricted	15,708,294	18,450,394	(2,742,100)
Unrestricted	2,837,890	2,354,826	483,064
Total net assets	\$21,079,509	\$20,970,872	\$108,637

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MADISON LOCAL SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for fiscal years 2009 and 2008:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Revenues			
Program revenues:			
Charges for Services and Sales	\$1,437,872	\$1,429,672	\$8,200
Operating Grants and Contributions	755,088	900,245	(145,157)
Capital Grants and Contributions	0	17,224,566	(17,224,566)
General revenues:			
Taxes:			
Property Taxes	5,294,613	5,424,737	(130,124)
Income Taxes	844,829	921,767	(76,938)
Grants and Entitlements	7,102,137	7,019,001	83,136
Investment Earnings	114,383	212,867	(98,484)
Miscellaneous	7,500	11,280	(3,780)
Total revenues	<u>15,556,422</u>	<u>33,144,135</u>	<u>(17,587,713)</u>
Program Expenses			
Instruction:			
Regular Instruction	6,160,438	6,073,136	87,302
Special Instruction	943,813	960,398	(16,585)
Vocational Instruction	1,275	1,275	0
Other Instruction	419,026	318,253	100,773
Support Services:			
Pupils	703,818	670,149	33,669
Instructional Staff	777,391	820,782	(43,391)
Board of Education	115,608	45,506	70,102
Administration	1,217,630	1,187,213	30,417
Fiscal Services	360,928	302,472	58,456
Business	1,267	2,485	(1,218)
Operation and Maintenance of Plant	1,456,957	1,665,428	(208,471)
Pupil Transportation	1,132,259	1,196,774	(64,515)
Central	348,879	281,041	67,838
Operation of Non-Instructional Services:			
Food Service Operations	671,806	687,671	(15,865)
Community Services	45,775	30,838	14,937
Extracurricular Activities	411,853	390,004	21,849
Debt Service:			
Interest and Fiscal Charges	679,062	699,486	(20,424)
Total expenses	<u>15,447,785</u>	<u>15,332,911</u>	<u>114,874</u>
Total Change in Net Assets	108,637	17,811,224	(17,702,587)
Beginning Net Assets	<u>20,970,872</u>	<u>3,159,648</u>	<u>17,811,224</u>
Ending Net Assets	<u>\$21,079,509</u>	<u>\$20,970,872</u>	<u>\$108,637</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009**

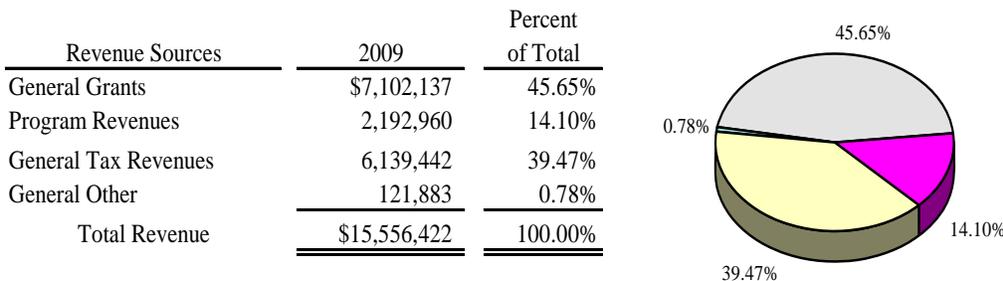
Unaudited

Governmental Activities

Net assets of the District's governmental activities increased by \$108,637 for fiscal year 2009 compared to an increase of \$17,811,224 during fiscal year 2008. This large decrease is due primarily to the fact that the District received over \$17.2 million in Ohio School Facilities Construction Fund grant monies in 2008, as well as a \$121,941 non-recurring receipt of income tax proceeds from the State of Ohio. Expenses were also 4.5% lower in 2008. Revenues exceeded expenses for 2009.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Grant revenues made up 45.65% of revenues for governmental activities for Madison Local School District in fiscal year 2009. The District's reliance upon grant revenues is demonstrated by the following graph:



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$12,032,829, which is an increase from last year's total of \$6,575,795. The schedule below indicates the fund balance and the total change in fund balance by fund as of June 30, 2009 and 2008.

	Fund Balance June 30, 2009	Fund Balance June 30, 2008	Increase (Decrease)
General	\$2,704,083	\$2,245,542	\$458,541
Classroom Facilities	6,088,925	771,470	5,317,455
Other Governmental	3,239,821	3,558,783	(318,962)
Total	\$12,032,829	\$6,575,795	\$5,457,034

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009**

Unaudited

General Fund –The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2009 Revenues	2008 Revenues	Increase (Decrease)
Taxes	\$5,356,040	\$4,479,243	\$876,797
Tuition	561,658	532,606	29,052
Investment Earnings	47,910	102,500	(54,590)
Extracurricular Activities	23,276	79,795	(56,519)
Intergovernmental - State	6,872,225	6,811,641	60,584
All Other Revenue	30,505	39,347	(8,842)
Total	\$12,891,614	\$12,045,132	\$846,482

General Fund revenues in 2009 increased approximately 7% compared to revenues for fiscal year 2008. The primary factor contributing to this increase was an increase in property taxes and property tax allocation revenues.

	2009 Expenditures	2008 Expenditures	Increase (Decrease)
Instruction:			
Regular Instruction	\$5,428,367	\$5,260,356	\$168,011
Special Instruction	913,634	832,697	80,937
Other Instruction	419,026	308,413	110,613
Supporting Services:			
Pupils	713,919	636,773	77,146
Instructional Staff	420,288	399,246	21,042
Board of Education	115,368	44,099	71,269
Administration	1,173,176	1,077,142	96,034
Fiscal Services	358,612	287,355	71,257
Business	1,267	2,408	(1,141)
Operation and Maintenance of Plant	1,284,240	1,488,593	(204,353)
Pupil Transportation	1,065,620	1,106,017	(40,397)
Central	278,860	237,720	41,140
Community Services	0	214,694	(214,694)
Extracurricular Activities	242,134	16,324	225,810
Capital Outlay	44,418	0	44,418
Debt Service:			
Interest and Fiscal Charges	0	4,978	(4,978)
Total	\$12,458,929	\$11,916,815	\$542,114

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009***

Unaudited

The expenditures increased by \$542,114 or 4.5% compared to the prior year, mostly due to increased costs for fuel, student transportation, maintenance, and special education.

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2009 the District amended its General Fund budget several times, none significant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2009 the District had \$15,005,881 net of accumulated depreciation invested in land; land improvements; buildings; furniture, fixtures and equipment and vehicles. The following table shows fiscal year 2009 and 2008 balances:

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2009</u>	<u>2008</u>	
Land	\$93,258	\$93,258	\$0
Construction in Progress	2,527,058	0	2,527,058
Land Improvements	228,740	228,740	0
Buildings	14,996,631	14,996,631	0
Furniture, Fixtures and Equipment	2,974,635	2,886,988	87,647
Vehicles	1,217,842	1,217,842	0
Less: Accumulated Depreciation	<u>(7,032,283)</u>	<u>(6,504,453)</u>	<u>(527,830)</u>
Totals	<u>\$15,005,881</u>	<u>\$12,919,006</u>	<u>\$2,086,875</u>

The primary increase occurred in construction in progress which can be attributed to the construction of a new elementary school. Overall net capital assets increased by \$2,086,875.

Additional information on the District's capital assets can be found in Note 7.

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009***

Unaudited

Debt

At June 30, 2009, the District had \$11,547,723 in bonds outstanding, \$514,371 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Governmental Activities:		
General Obligation Bonds	\$11,547,723	\$11,935,756
Capital Leases	3,296,596	3,426,745
Compensated Absences	161,469	163,391
Totals	<u>\$15,005,788</u>	<u>\$15,525,892</u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2009, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Notes 10 and 11.

ECONOMIC FACTORS

As the preceding information shows, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. New construction and new levies also contribute to growth of this revenue. With the collapse of real estate values in 2008, the District lost its primary source of revenue growth (i.e. inflation of the tax base). In addition, an update of the 2008 reappraisal values is currently underway because of the precipitous drop in the housing market. The next regular valuation update is scheduled for 2011, and represents an important factor for future District funding.

In 2009, HB1 (Ohio's 2010-11 biennial budget) was passed by the state legislature, establishing a new educational funding system. However, the State's own fiscal outlook is dubious due to recession. Federal stimulus money supports approximately 6% of the state's education budget through fiscal year 2011. This places an additional burden on the governor and legislature, especially for the next biennial budget term when federal stimulus dollars evaporate. Since the District is in a declining resident enrollment situation, state funding will diminish under the new funding model despite ever-rising costs for education. The District is currently (FY10) on a "guarantee," providing 99% of the basic level of state funding received in the prior fiscal year. That guaranteed level declines to 98% in FY11. In 2009, under the old funding model, Madison received 100% of the prior year basic state aid due to the guarantee program.

The District also receives a .5% income tax from residents. The current economic downturn is estimated to cause funding from that source to decline 10-12% through 2011, when a reversal is anticipated. Generally, there is a lag between economic recovery and resulting gains in employment.

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009***

Unaudited

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mark Zimov, Treasurer, 1324 Middletown Eaton Rd., Middletown, Ohio 45042-1525.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Statement of Net Assets **June 30, 2009**

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 11,527,940
Receivables:	
Taxes	6,689,993
Intergovernmental	8,808,801
Inventory of Supplies at Cost	1,744
Deferred Charges	141,058
Non-Depreciable Capital Assets	2,620,316
Depreciable Capital Assets, Net	12,385,565
Total Assets	42,175,417
Liabilities:	
Accounts Payable	44,436
Accrued Wages and Benefits	1,125,489
Deferred Revenue	4,885,454
Accrued Interest Payable	34,741
Long Term Liabilities:	
Due Within One Year	629,317
Due in More Than One Year	14,376,471
Total Liabilities	21,095,908
Net Assets:	
Invested in Capital Assets, Net of Related Debt	2,533,325
Restricted For:	
Capital Projects	14,958,669
Debt Service	327,827
Other Purposes	421,798
Unrestricted	2,837,890
Total Net Assets	\$ 21,079,509

See accompanying notes to the basic financial statements

MADISON LOCAL SCHOOL DISTRICT, OHIO

Statement of Activities For the Fiscal Year Ended June 30, 2009

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 6,160,438	\$ 665,055	\$ 212,306	\$ (5,283,077)
Special Instruction	943,813	0	38,988	(904,825)
Vocational Instruction	1,275	0	0	(1,275)
Other Instruction	419,026	0	0	(419,026)
Support Services:				
Pupils	703,818	0	2,351	(701,467)
Instructional Staff	777,391	0	299,779	(477,612)
Board of Education	115,608	0	0	(115,608)
Administration	1,217,630	0	4,396	(1,213,234)
Fiscal Services	360,928	0	0	(360,928)
Business	1,267	0	0	(1,267)
Operation and Maintenance of Plant	1,456,957	0	5,000	(1,451,957)
Pupil Transportation	1,132,259	0	0	(1,132,259)
Central	348,879	1,166	9,000	(338,713)
Operation of Non-Instructional:				
Food Service Operations	671,806	543,932	183,268	55,394
Community Services	45,775	38,317	0	(7,458)
Extracurricular Activities	411,853	189,402	0	(222,451)
Interest and Fiscal Charges	679,062	0	0	(679,062)
Totals	\$ 15,447,785	\$ 1,437,872	\$ 755,088	(13,254,825)
General Revenues:				
Taxes:				
Property				5,294,613
Income				844,829
Grants and Entitlements not Restricted to Specific Programs				7,102,137
Investment Earnings				114,383
Miscellaneous				7,500
Total General Revenues				13,363,462
Change in Net Assets				108,637
Net Assets Beginning of Year				20,970,872
Net Assets End of Year				\$ 21,079,509

See accompanying notes to the basic financial statements

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Balance Sheet
Governmental Funds
June 30, 2009***

	General Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 2,108,555	\$ 6,109,577	\$ 3,309,808	\$ 11,527,940
Receivables:				
Taxes	5,192,041	0	1,497,952	6,689,993
Intergovernmental	0	8,761,405	47,396	8,808,801
Interfund Loans Receivable	0	0	2,683	2,683
Inventory of Supplies at Cost	0	0	1,744	1,744
Total Assets	\$ 7,300,596	\$ 14,870,982	\$ 4,859,583	\$ 27,031,161
Liabilities:				
Accounts Payable	\$ 5,396	\$ 20,652	\$ 18,388	\$ 44,436
Accrued Wages and Benefits	1,022,641	0	102,848	1,125,489
Interfund Loans Payable	2,109	0	574	2,683
Deferred Revenue	3,529,461	8,761,405	1,497,952	13,788,818
Compensated Absences Payable	36,906	0	0	36,906
Total Liabilities	4,596,513	8,782,057	1,619,762	14,998,332
Fund Balances:				
Reserved for Encumbrances	105,311	148,212	16,209	269,732
Reserved for Supplies Inventory	0	0	1,744	1,744
Reserved for Debt Service	0	0	335,353	335,353
Reserved for Property Taxes	1,335,000	0	0	1,335,000
Unreserved, Undesignated in:				
General Fund	1,263,772	0	0	1,263,772
Special Revenue Funds	0	0	412,350	412,350
Capital Projects Funds	0	5,940,713	2,474,165	8,414,878
Total Fund Balances	2,704,083	6,088,925	3,239,821	12,032,829
Total Liabilities and Fund Balances	\$ 7,300,596	\$ 14,870,982	\$ 4,859,583	\$ 27,031,161

See accompanying notes to the basic financial statements

MADISON LOCAL SCHOOL DISTRICT, OHIO

Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities June 30, 2009

Total Governmental Fund Balances		\$ 12,032,829
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		15,005,881
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		8,903,364
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(11,547,723)	
Capital Leases Payable	(3,296,596)	
Deferred Charges for Issuance Costs	141,058	
Accrued Interest Payable	(34,741)	
Compensated Absences Payable	<u>(124,563)</u>	<u>(14,862,565)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$ 21,079,509</u></u>

See accompanying notes to the basic financial statements

MADISON LOCAL SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2009

	General Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 5,356,040	\$ 0	\$ 1,021,478	\$ 6,377,518
Tuition	561,658	0	0	561,658
Investment Earnings	47,910	13,905	52,568	114,383
Food Services	0	0	543,932	543,932
Extracurricular Activities	23,276	0	139,781	163,057
Class Materials and Fees	0	0	72,892	72,892
Intergovernmental - State	6,872,225	7,741,510	262,189	14,875,924
Intergovernmental - Federal	0	0	729,476	729,476
All Other Revenue	30,505	7,500	65,827	103,832
Total Revenue	12,891,614	7,762,915	2,888,143	23,542,672
Expenditures:				
Current:				
Instruction:				
Regular Instruction	5,428,367	0	375,590	5,803,957
Special Instruction	913,634	0	40,366	954,000
Other Instruction	419,026	0	0	419,026
Supporting Services:				
Pupils	713,919	0	2,552	716,471
Instructional Staff	420,288	0	330,160	750,448
Board of Education	115,368	240	0	115,608
Administration	1,173,176	0	19,264	1,192,440
Fiscal Services	358,612	0	1,172	359,784
Business	1,267	0	0	1,267
Operation & Maintenance of Plant	1,284,240	0	132,735	1,416,975
Pupil Transportation	1,065,620	0	5,149	1,070,769
Central	278,860	43,893	26,126	348,879
Operation of Non-Instructional:				
Food Service Operations	0	0	652,432	652,432
Community Services	0	0	44,179	44,179
Extracurricular Activities	242,134	0	158,551	400,685
Capital Outlay	44,418	2,401,520	202,356	2,648,294
Debt Service:				
Principal Retirement	0	0	623,598	623,598
Interest & Fiscal Charges	0	0	596,063	596,063
Total Expenditures	12,458,929	2,445,653	3,210,293	18,114,875

MADISON LOCAL SCHOOL DISTRICT, OHIO

	General Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	432,685	5,317,262	(322,150)	5,427,797
Other Financing Sources (Uses):				
Capital Lease Initiated	28,449	0	0	28,449
Transfers In	0	193	2,400	2,593
Transfers Out	(2,593)	0	0	(2,593)
Total Other Financing Sources (Uses)	<u>25,856</u>	<u>193</u>	<u>2,400</u>	<u>28,449</u>
Net Change in Fund Balance	458,541	5,317,455	(319,750)	5,456,246
Fund Balances at Beginning of Year	2,245,542	771,470	3,558,783	6,575,795
Increase in Inventory Reserve	0	0	788	788
Fund Balances End of Year	<u>\$ 2,704,083</u>	<u>\$ 6,088,925</u>	<u>\$ 3,239,821</u>	<u>\$ 12,032,829</u>

See accompanying notes to the basic financial statements

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended June 30, 2009**

Net Change in Fund Balances - Total Governmental Funds \$ 5,456,246

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	2,615,876	
Depreciation Expense	<u>(528,760)</u>	2,087,116

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets.

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	(241)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Decrease in Delinquent Tax Revenue	(238,076)	
Decrease in Grants Receivable	<u>(7,748,174)</u>	(7,986,250)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Capital Leases Initiated	(28,449)	
General Obligation Bond Principal Payment	465,000	
Amortization of Bond Premiums	38,206	
Amortization of Deferred Loss on Defeasance	(68,835)	
Amortization of Deferred Charges	(7,837)	
Accretion on Capital Appreciation Bonds	(46,338)	
Capital Lease Payments	<u>158,598</u>	510,345

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	1,805
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Decrease in Compensated Absences	38,828	
Increase in Inventory	<u>788</u>	<u>39,616</u>

Change in Net Assets of Governmental Activities \$ 108,637

See accompanying notes to the basic financial statements

MADISON LOCAL SCHOOL DISTRICT, OHIO



MADISON LOCAL SCHOOL DISTRICT, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For The Fiscal Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 5,025,886	\$ 4,741,258	\$ 4,741,258	\$ 0
Tuition	380,496	561,658	561,658	0
Investment Earnings	80,000	47,908	47,908	0
Extracurricular Activities	79,000	23,276	23,276	0
Intergovernmental - State	6,781,403	6,872,225	6,872,225	0
All Other Revenues	19,000	14,325	14,325	0
Total Revenues	<u>12,365,785</u>	<u>12,260,650</u>	<u>12,260,650</u>	<u>0</u>
Expenditures:				
Current:				
Instruction:				
Regular Instruction	5,391,414	5,400,904	5,400,904	0
Special Instruction	952,836	900,744	900,744	0
Other Instruction	321,871	419,026	419,026	0
Support Services:				
Pupils	688,350	718,980	718,980	0
Instructional Staff	462,180	419,892	419,892	0
Board of Education	54,374	115,368	115,368	0
Administration	1,162,894	1,159,249	1,159,249	0
Fiscal Services	329,167	320,305	320,305	0
Business	2,903	1,267	1,267	0
Operation and Maintenance of Plant	1,491,809	1,359,958	1,359,958	0
Pupil Transportation	900,646	1,068,512	1,068,512	0
Central	209,373	281,166	281,166	0
Extracurricular Activities	236,602	242,134	242,134	0
Capital Outlay	5,000	62,872	62,872	0
Total Expenditures	<u>12,209,419</u>	<u>12,470,377</u>	<u>12,470,377</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	156,366	(209,727)	(209,727)	0

MADISON LOCAL SCHOOL DISTRICT, OHIO

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	16,459	16,459	0
Transfers In	0	49,885	49,885	0
Transfers Out	0	(52,478)	(52,478)	0
Advances In	0	8,086	8,086	0
Advances Out	0	(168)	(168)	0
Refund of Prior Year's Expenditures	0	471	471	0
Refund of Prior Year's Receipts	(250,000)	(750)	(750)	0
Total Other Financing Sources (Uses):	(250,000)	21,505	21,505	0
Net Change in Fund Balance	(93,634)	(188,222)	(188,222)	0
Fund Balance at Beginning of Year	2,149,248	2,149,248	2,149,248	0
Prior Year Encumbrances	36,823	36,823	36,823	0
Fund Balance at End of Year	\$ 2,092,437	\$ 1,997,849	\$ 1,997,849	\$ 0

See accompanying notes to the basic financial statements

MADISON LOCAL SCHOOL DISTRICT, OHIO

Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2009

	<u>Agency Fund</u>
Assets:	
Cash and Cash Equivalents	\$ 50,104
Total Assets	<u>50,104</u>
Liabilities:	
Due to Students	<u>50,104</u>
Total Liabilities	<u>\$ 50,104</u>

See accompanying notes to the basic financial statements

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Madison Local School District, Ohio (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by 73 noncertified and 107 certified teaching personnel providing education to 1,621 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular and special education), student guidance, extracurricular activities and care and upkeep of grounds and buildings.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the basic financial statements.

The following fund types are used by the District:

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

General Fund - This fund is the general operating fund of the District and is used to account for all financial resources except those 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.

Classroom Facilities Fund - This fund is used to account for monies received and expended in connection with contracts entered into by the school district and the Ohio Department of Education for the building and equipping of classroom facilities.

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

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District's own programs. The District reports only an agency fund; it is utilized to account for various student-managed activity programs. The agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operation.

C. Basis of Presentation – Financial Statements

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, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District only reports governmental type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees and interest on investments.

Current property taxes measurable at June 30, 2009, and which are not intended to finance fiscal 2009 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 30 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2009 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Revenues – Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the Board of Education.

1. Tax Budget

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution the tax rates as determined by the County Budget Commission, and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2009.

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund, department and object level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year with approval of the Board. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying basic financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservations of fund balance (GAAP basis).

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MADISON LOCAL SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

Net Change in Fund Balance	
	General Fund
GAAP Basis (as reported)	\$458,541
Increase (Decrease):	
Accrued Revenues at June 30, 2009, received during FY 2010	(1,662,580)
Accrued Revenues at June 30, 2008, received during FY 2009	1,053,607
Accrued Expenditures at June 30, 2009, paid during FY 2010	1,064,943
Accrued Expenditures at June 30, 2008, paid during FY 2009	(994,136)
Interfund Activity FY 2009	2,107
Encumbrances Outstanding	(110,704)
Budget Basis	<u>(\$188,222)</u>

F. Cash and Cash Equivalents

Cash and cash equivalents includes all demand deposits and investments.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 2, "Cash, Cash Equivalents and Investments."

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value except for nonparticipating investment contracts (repurchase agreement and certificates of deposit) which are reported at cost, which approximates fair value. See Note 2, "Cash, Cash Equivalents and Investments."

Under existing Ohio statutes, the Board of Education has, by resolution, specified the funds to receive allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2009 totaled \$47,910, which includes \$4,216 assigned from other District funds, and \$66,473 was credited to other funds of the District.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal period are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business-type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements. The District follows the policy of not capitalizing assets with a cost of less than \$250.

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities (Continued)

Contributed capital assets are recorded at fair market value at the date received. The District does not possess any infrastructure. Capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Depreciation

All capital assets are depreciated, excluding land. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Land Improvements	50
Buildings and Improvements	50
Machinery/Equipment and Furniture/Fixtures	6-20
Vehicles	10

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Capital Leases	General Fund, Permanent Improvement Fund
Compensated Absences	General Fund, Food Services Fund, IDEA Part-B Fund

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation benefits are accrued as a liability when an employee's right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement.

VACATION			
	Certified	Administrators	Non-Certified
How Earned	Not Eligible	0-20 days/year	10-20 days for each year depending on length of service
Max Accumulation	N/A	0-40 days	Must be used in year after year earned
Vested	N/A	As Earned	As earned after 1 year of service
Termination Entitlement	N/A	Paid upon termination	Paid upon termination

SICK LEAVE			
	Certified	Administrators	Non-Certified
How Earned	1 ¼ days per month of employment (15 days max per year)	1 ¼ days per month of employment (15 days max per year)	1 ¼ days per month of employment (15 days max per year)
Max Accumulation	184	Contract days	Contract Days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	¼ paid upon retirement	¼ paid upon retirement	¼ paid upon retirement

Compensated absences accumulated by governmental fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred. Pension liabilities expected to be paid from current available financial resources are recorded as a fund liability.

O. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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 and eliminated in the Statement of Activities. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

P. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for property taxes, supplies inventory, debt service, and encumbered amounts, which have not been accrued at year end.

Q. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities 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;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio), and
- Bonds of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is no default of principal, interest or coupons.

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$11,570,146 and the bank balance was \$12,115,569. The Federal Deposit Insurance Corporation (FDIC) covered \$500,000 of the bank balance and \$11,615,569 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	<u>\$11,615,569</u>
Total Balance	<u><u>\$11,615,569</u></u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The District's investments at June 30, 2009 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	\$7,898	AAAm ¹	\$7,898
Total Investments	<u>\$7,898</u>		<u>\$7,898</u>

¹ Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$11,578,044	\$0
Star Ohio	(7,898)	7,898
Per GASB Statement No. 3	<u>\$11,570,146</u>	<u>\$7,898</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 3 - TAXES

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 2006, with equalization adjustments scheduled for 2009. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30 with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Madison Local School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values, upon which taxes were collected in 2009, were based as follows:

Agricultural/Residential and Other Real Estate	\$163,827,970
Public Utility Personal	3,464,173
Total Assessed Value	<u>\$167,292,143</u>
Tax rate per \$1,000 of assessed valuation	\$36.35

NOTE 4 - RECEIVABLES

Receivables at June 30, 2009 consisted of taxes, intergovernmental and interfund receivables.

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009**

NOTE 5 - INTERFUND BALANCES

Following is a summary of interfund receivables/payables for all funds at June 30, 2009:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$0	\$2,109
Other Governmental Funds	2,683	574
Totals	<u>\$2,683</u>	<u>\$2,683</u>

NOTE 6 - TRANSFERS

Following is a summary of transfers for all funds at June 30, 2009:

Fund	Transfers In	Transfers Out
General Fund	\$0	\$2,593
Classroom Facilities Fund	193	0
Other Governmental Funds	2,400	0
Totals	<u>\$2,593</u>	<u>\$2,593</u>

NOTE 7 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2009:

Historical Cost:

Class	June 30, 2008	Additions	Deletions	June 30, 2009
Capital assets not being depreciated:				
Land	\$93,258	\$0	\$0	\$93,258
Construction in Progress	0	2,527,058	0	2,527,058
Capital assets being depreciated:				
Land Improvements	228,740	0	0	228,740
Buildings	14,996,631	0	0	14,996,631
Furniture, Fixtures and Equipment	2,886,988	88,818	(1,171)	2,974,635
Vehicles	1,217,842	0	0	1,217,842
Total Cost	<u>\$19,423,459</u>	<u>\$2,615,876</u>	<u>(\$1,171)</u>	<u>\$22,038,164</u>

Accumulated Depreciation:

Class	June 30, 2008	Additions	Deletions	June 30, 2009
Land Improvements	(\$187,093)	(\$1,005)	\$0	(\$188,098)
Buildings	(3,422,628)	(309,949)	0	(3,732,577)
Furniture, Fixtures and Equipment	(2,028,472)	(150,846)	930	(2,178,388)
Vehicles	(866,260)	(66,960)	0	(933,220)
Total Depreciation	<u>(\$6,504,453)</u>	<u>(\$528,760) *</u>	<u>\$930</u>	<u>(\$7,032,283)</u>
Net Value:	<u>\$12,919,006</u>			<u>\$15,005,881</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 7 - CAPITAL ASSETS (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Instruction:	
Regular Instruction	\$342,315
Special Instruction	2,508
Vocational Instruction	1,275
Support Services:	
Pupils	3,217
Instructional Staff	5,841
Administration	46,177
Fiscal Services	1,144
Operations & Maintenance of Plant	38,527
Pupil Transportation	61,490
Operation of Noninstructional Services:	
Food Services	13,502
Community Services	1,596
Extracurricular Activities	11,168
Total Depreciation Expense	<u><u>\$528,760</u></u>

NOTE 8 - DEFINED BENEFIT PENSION PLANS

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

A. School Employee Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

A. School Employee Retirement System (Continued)

may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$132,915, \$161,143 and \$217,029 respectively, which were equal to the required contributions for each year.

B. State Teachers Retirement System

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

Funding Policy - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$704,305, \$765,091, and \$770,208 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2009 were \$21,672 made by the District and \$6,121 made by the plan members.

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MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 9 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report, which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$60,828, \$73,535, and \$72,053 respectively; which were equal to the required contributions for each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$10,145, \$11,611, and \$14,758 respectively, which were equal to the required contributions for each year.

B. State Teachers Retirement System

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System (Continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District’s contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$54,177, \$58,853, and \$59,247 respectively; which were equal to the required contributions for each year.

NOTE 10 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended June 30, 2009 are as follows:

		Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
1999 General Obligation Bond	4.25-5.75%	\$1,054,943	\$0	(\$260,000)	\$794,943	\$275,000
2000 General Obligation Bond	4.5-5.60%	494,994	0	(90,000)	404,994	100,000
2006 General Obligation Bond	4.0-4.05%	8,239,993	0	(90,000)	8,149,993	145,000
2007 General Obligation Bond	4.0-4.125%	1,904,998	0	(25,000)	1,879,998	25,000
Sub-Total General Obligation Bonds		11,694,928	0	(465,000)	11,229,928	545,000
Premium on General Obligation Bonds		725,912	0	(38,206)	687,706	38,206
Deferred Loss on Defeasance		(538,542)	0	68,835	(469,707)	(68,835)
Accretion on Capital Appreciation Bonds		53,458	46,338	0	99,796	0
Total General Obligation Bonds		11,935,756	46,338	(434,371)	11,547,723	514,371
Capital Leases		3,426,745	28,449	(158,598)	3,296,596	76,494
Compensated Absences		163,391	161,469	(163,391)	161,469	38,452
Total Long-Term Obligations		\$15,525,892	\$236,256	(\$756,360)	\$15,005,788	\$629,317

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 10 - LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)

On October 1, 1999, the District issued \$9,999,943 in general obligation bonds to retire previously issued notes. The bonds mature through 2014 and carry an interest rate between 4.25 and 5.75 percent. Proceeds from the debt are used for the construction, improvements, renovations, and additions to school facilities.

On November 27, 2000 the District issued \$2,769,994 in general obligation bonds to retire \$2,770,000 of bond anticipation notes. The bonds mature through 2019 and carry an interest rate between 4.5 and 5.6 percent. Proceeds from the debt are used for the construction, improvements, renovations, and additions to school facilities.

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2009, follows:

<u>Years</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$545,000	\$404,195
2011	580,000	532,434
2012	217,711	799,156
2013	192,616	936,304
2014	181,417	881,614
2015 - 2019	1,473,957	3,683,500
2020 - 2024	4,444,227	1,291,337
2025 - 2027	3,595,000	219,551
Totals	<u>\$11,229,928</u>	<u>\$8,748,091</u>

B. Defeased Debt

In November 2006, the District partially refunded \$8,300,000 of General Obligation Bonds for School Improvement Series 1999, dated October 1, 1999, through the issuance of \$8,299,993 of General Obligation Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$8,300,000 at June 30, 2009, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 10 - LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)

B. Defeased Debt (Continued)

In March 2007, the District partially refunded \$1,955,000 of General Obligation Bonds for School Improvement Series 2000, dated November 27, 2000, through the issuance of \$1,954,998 of General Obligation Bonds. The net proceeds of the 2007 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,955,000, at June 30, 2009, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

NOTE 11 - CAPITAL LEASE COMMITMENTS

The District is obligated under four leases accounted for as capital leases. The cost of the leased assets (copier, administration building, high school project and busses) are accounted for in the Governmental Activities Capital Assets and the related liability in the Governmental Activities Long-Term Liabilities. The original cost of the assets under capital lease was \$3,902,079.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2009:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2010	\$168,805
2011	295,336
2012	290,767
2013	235,807
2014	233,183
2015-2019	1,112,573
2020-2024	994,235
2025-2029	988,649
2030-2034	979,162
2035-2037	582,641
Minimum Lease Payments	5,881,158
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(2,584,562)</u>
Present Value of minimum lease payments	<u><u>\$3,296,596</u></u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 12 - STATUTORY RESERVES

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. Previously, the District was also required to set aside money for budget stabilization.

The following cash basis information describes the change in the year-end set aside amounts for textbooks, capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

	Textbook Reserve	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2008	(\$192,874)	\$0
Current Year Set-Aside Requirement	246,717	246,717
Set-aside Cash Balance as of June 30, 2009	53,843	246,717
Qualifying Disbursements	(311,826)	(814,467)
Set-aside Reserve Balance as of June 30, 2009	<u>\$0</u>	<u>\$0</u>
Set-aside balance carried forward to future fiscal years	<u>(\$257,983)</u>	<u>\$0</u>

The District had qualifying disbursements during the fiscal year that reduced the textbook set-aside and capital acquisition amounts below zero. Current year qualifying disbursements in excess of current year or accumulated set-aside requirements for textbooks and capital acquisitions may be used to reduce set-aside requirements in future years. Actual cash balances in excess of set-aside requirements for textbooks may be used to offset set-aside requirements for future years. Actual cash balances in excess of set-aside requirements for capital improvements may not be used to offset set-aside requirements for future years.

NOTE 13 - JOINTLY GOVERNED ORGANIZATION

The Southwest Ohio Computer Association (SWOCA), a jointly governed organization, was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the four county consortium supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of one representative from each four districts plus one representative from the fiscal agent. The degree of control exercised by any participating school district is limited to its representation on the Board. During the 2009 fiscal year the District paid \$43,398 to SWOCA for services. To obtain financial information, write to the Southwestern Ohio Computer Association, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District carries commercial general liability insurance against these risks and all other risks of loss, including workers compensation and employee health and accident insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 15 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2009.

B. Litigation

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2009.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS*

MADISON LOCAL SCHOOL DISTRICT, OHIO

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Food Services Fund

To account for financial transactions associated with food service operations.

Special Trust Fund

To account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds.

Uniform School Supply Fund

To account for the purchase and sale of school supplies. Profits derived from sales must be used for school purposes or activities.

Public School Fund

To support the various needs of the school such as supplies and equipment for use in the school; for support and recognition of school activities as deemed appropriate by the building principal.

Other Grant Fund

To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Special Enterprise Fund

To account for the financial transactions related to the after school child care program, which operates on a fee for service basis.

Classroom Facilities Maintenance Fund

To account for the proceeds of a levy for the maintenance of facilities.

Athletic Fund

To account for a combination of subject matters and experiences usually not provided in a regular class, designed for pupils who wish to pursue satisfying individual/group interest and study in specific aspects of the subject matter provided in a regular classroom.

Management Information System Fund

To account for costs related to hardware and software development or other costs associated with the requirements of the management information system.

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

Special Revenue Funds

Entry Year Programs Fund

To account for State grant monies to be used for Entry Year Teacher Program costs.

Summer School Remediation Fund

To account for summer school services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Data Communication Fund

To account for monies received for the maintenance of the Ohio Educational Computer Network connections.

SchoolNet Professional Development Fund

To account for funds from State grants to provide professional development for staff in technology. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Miscellaneous State grant Fund

To account for various monies from State agencies which are not classified elsewhere.

IDEA, Part B Fund

To account for monies received through grants to assist in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Title I Fund

To account for federal revenues received to meet the special needs of educationally deprived children.

Title V Fund

To account for federal revenues which assist in the reform of elementary and secondary education. Funds can be used for various materials, technology and projects implementing school improvement and parental involvement. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Drug-Free School Grant Fund

To account for federal revenue funds to be used for drug abuse prevention, early intervention, rehabilitation referral and education.

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

Special Revenue Funds

IDEA Preschool Grant Fund

A fund provided to account for the District's preschool grant activities.

Improving Teacher Quality Fund

To account for federal monies received which are used to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grant Fund

To account for various revenues received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

Debt Service Fund

Debt Service Funds are used to account for retirement of the District's general obligation and special assessment bonds.

Debt Service Fund

To account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Permanent Improvement Fund

To account for all transactions related to the acquiring, construction or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

Building Fund

To account for the receipts and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

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MADISON LOCAL SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and Cash Equivalents	\$ 479,928	\$ 335,353	\$ 2,494,527	\$ 3,309,808
Receivables:				
Taxes	81,837	854,576	561,539	1,497,952
Intergovernmental	47,396	0	0	47,396
Interfund Loans Receivable	2,683	0	0	2,683
Inventory Held for Resale	1,744	0	0	1,744
Total Assets	<u>\$ 613,588</u>	<u>\$ 1,189,929</u>	<u>\$ 3,056,066</u>	<u>\$ 4,859,583</u>
Liabilities:				
Accounts Payable	\$ 2,292	\$ 0	\$ 16,096	\$ 18,388
Accrued Wages and Benefits	98,819	0	4,029	102,848
Interfund Loans Payable	574	0	0	574
Deferred Revenue	81,837	854,576	561,539	1,497,952
Total Liabilities	<u>183,522</u>	<u>854,576</u>	<u>581,664</u>	<u>1,619,762</u>
Fund Balances:				
Reserved for Encumbrances	15,972	0	237	16,209
Reserved for Supplies Inventory	1,744	0	0	1,744
Reserved for Debt Service	0	335,353	0	335,353
Unreserved, Undesignated in:				
Special Revenue Funds	412,350	0	0	412,350
Capital Projects Funds	0	0	2,474,165	2,474,165
Total Fund Balances	<u>430,066</u>	<u>335,353</u>	<u>2,474,402</u>	<u>3,239,821</u>
Total Liabilities and Fund Balances	<u>\$ 613,588</u>	<u>\$ 1,189,929</u>	<u>\$ 3,056,066</u>	<u>\$ 4,859,583</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 81,838	\$ 564,927	\$ 374,713	\$ 1,021,478
Interest	477	0	52,091	52,568
Sales	543,932	0	0	543,932
Extracurricular Activities	139,781	0	0	139,781
Classroom Materials and Fees	72,892	0	0	72,892
Intergovernmental - State	51,006	127,446	83,737	262,189
Intergovernmental - Federal	729,476	0	0	729,476
Miscellaneous	65,827	0	0	65,827
Total Revenue	1,685,229	692,373	510,541	2,888,143
Expenditures:				
Current:				
Regular	269,129	0	106,461	375,590
Special	40,366	0	0	40,366
Supporting Services:				
Pupils	2,552	0	0	2,552
Instructional Staff	308,903	0	21,257	330,160
Administration	4,231	0	15,033	19,264
Fiscal Services	0	0	1,172	1,172
Operation and Maintenance of Plant	111,776	0	20,959	132,735
Pupil Transportation	0	0	5,149	5,149
Central	4,022	13,356	8,748	26,126
Operation of Non-Instructional:				
Food Service Operations	652,432	0	0	652,432
Community Services	44,179	0	0	44,179
Extracurricular Activities	158,551	0	0	158,551
Capital Outlay	16,009	0	186,347	202,356
Debt Service:				
Principal Retirement	0	465,000	158,598	623,598
Interest and Fiscal Charges	0	427,725	168,338	596,063
Total Expenditures	1,612,150	906,081	692,062	3,210,293
Excess (Deficiency) of Revenues Over Expenditures	73,079	(213,708)	(181,521)	(322,150)
Other Financing Sources (Uses):				
Transfers In	2,400	0	0	2,400
Total Other Financing Sources (Uses)	2,400	0	0	2,400
Net Change in Fund Balance	75,479	(213,708)	(181,521)	(319,750)
Fund Balances at Beginning of Year	353,799	549,061	2,655,923	3,558,783
Increase in Inventory Reserve	788	0	0	788
Fund Balances End of Year	\$ 430,066	\$ 335,353	\$ 2,474,402	\$ 3,239,821

MADISON LOCAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	<u>Food Services</u>	<u>Special Trust</u>	<u>Uniform School Supply</u>	<u>Public School</u>	<u>Other Grant</u>
Assets:					
Cash and Cash Equivalents	\$ 168,161	\$ 9,756	\$ 27,479	\$ 41,797	\$ 176
Receivables:					
Taxes	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Interfund Loans Receivable	0	0	0	0	0
Inventory Held for Resale	1,744	0	0	0	0
Total Assets	<u>\$ 169,905</u>	<u>\$ 9,756</u>	<u>\$ 27,479</u>	<u>\$ 41,797</u>	<u>\$ 176</u>
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 128	\$ 0
Accrued Wages and Benefits	35,226	0	0	0	0
Interfund Loans Payable	0	0	0	0	168
Deferred Revenue	0	0	0	0	0
Total Liabilities	<u>35,226</u>	<u>0</u>	<u>0</u>	<u>128</u>	<u>168</u>
Fund Balances:					
Reserved for Encumbrances	2,075	0	174	1,303	0
Reserved for Supplies Inventory	1,744	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	130,860	9,756	27,305	40,366	8
Total Fund Balances	<u>134,679</u>	<u>9,756</u>	<u>27,479</u>	<u>41,669</u>	<u>8</u>
Total Liabilities and Fund Balances	<u>\$ 169,905</u>	<u>\$ 9,756</u>	<u>\$ 27,479</u>	<u>\$ 41,797</u>	<u>\$ 176</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

<u>Special Enterprise</u>	<u>Classroom Facilities Maintenance</u>	<u>Athletic</u>	<u>Management Information System</u>	<u>Entry Year Programs</u>	<u>Data Communication</u>
\$ 48,521	\$ 89,523	\$ 24,622	\$ 5,532	\$ 244	\$ 6,153
0	81,837	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 48,521</u>	<u>\$ 171,360</u>	<u>\$ 24,622</u>	<u>\$ 5,532</u>	<u>\$ 244</u>	<u>\$ 6,153</u>
\$ 0	\$ 0	\$ 150	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>81,837</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>81,837</u>	<u>150</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	1,640	7,302	0	0	0
0	0	0	0	0	0
<u>48,521</u>	<u>87,883</u>	<u>17,170</u>	<u>5,532</u>	<u>244</u>	<u>6,153</u>
<u>48,521</u>	<u>89,523</u>	<u>24,472</u>	<u>5,532</u>	<u>244</u>	<u>6,153</u>
<u>\$ 48,521</u>	<u>\$ 171,360</u>	<u>\$ 24,622</u>	<u>\$ 5,532</u>	<u>\$ 244</u>	<u>\$ 6,153</u>

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Miscellaneous State Grant	IDEA, Part B	Title I	Drug-Free School Grant
Assets:				
Cash and Cash Equivalents	\$ 666	\$ 28,010	\$ 19,121	\$ 1,224
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	18,548	25,901	0
Interfund Loans Receivable	0	0	2,683	0
Inventory Held for Resale	0	0	0	0
Total Assets	<u>\$ 666</u>	<u>\$ 46,558</u>	<u>\$ 47,705</u>	<u>\$ 1,224</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 2,014	\$ 0
Accrued Wages and Benefits	0	37,231	18,799	0
Interfund Loans Payable	0	0	0	406
Deferred Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>37,231</u>	<u>20,813</u>	<u>406</u>
Fund Balances:				
Reserved for Encumbrances	0	0	1,345	411
Reserved for Supplies Inventory	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	666	9,327	25,547	407
Total Fund Balances	<u>666</u>	<u>9,327</u>	<u>26,892</u>	<u>818</u>
Total Liabilities and Fund Balances	<u>\$ 666</u>	<u>\$ 46,558</u>	<u>\$ 47,705</u>	<u>\$ 1,224</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

IDEA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
\$ 374	\$ 8,475	\$ 94	\$ 479,928
0	0	0	81,837
0	2,947	0	47,396
0	0	0	2,683
0	0	0	1,744
<u>\$ 374</u>	<u>\$ 11,422</u>	<u>\$ 94</u>	<u>\$ 613,588</u>
\$ 0	\$ 0	\$ 0	\$ 2,292
0	7,563	0	98,819
0	0	0	574
0	0	0	81,837
<u>0</u>	<u>7,563</u>	<u>0</u>	<u>183,522</u>
0	1,722	0	15,972
0	0	0	1,744
<u>374</u>	<u>2,137</u>	<u>94</u>	<u>412,350</u>
<u>374</u>	<u>3,859</u>	<u>94</u>	<u>430,066</u>
<u>\$ 374</u>	<u>\$ 11,422</u>	<u>\$ 94</u>	<u>\$ 613,588</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	Food Services	Special Trust	Uniform School Supply	Public School	Other Grant
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	445	32	0	0	0
Sales	543,932	0	0	0	0
Intergovernmental - State	4,283	0	0	0	0
Intergovernmental - Federal	178,985	0	0	0	0
Extracurricular Activities	0	0	0	51,702	0
Classroom Materials and Fees	0	0	72,892	0	0
Miscellaneous	0	100	0	1,000	7,279
Total Revenue	<u>727,645</u>	<u>132</u>	<u>72,892</u>	<u>52,702</u>	<u>7,279</u>
Expenditures:					
Current:					
Instruction:					
Regular	0	0	63,067	0	0
Special	0	0	0	0	0
Supporting Services:					
Pupils	0	117	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	0	0
Operation and Maintenance of Plant	108	0	0	0	0
Central	0	0	0	0	1,175
Operation of Non-Instructional:					
Food Service Operations	652,432	0	0	0	0
Community Services	0	0	0	0	0
Extracurricular Activities	0	820	0	48,148	6,162
Capital Outlay	0	0	0	0	0
Total Expenditures	<u>652,540</u>	<u>937</u>	<u>63,067</u>	<u>48,148</u>	<u>7,337</u>
Excess (Deficiency) of Revenues Over Expenditures	75,105	(805)	9,825	4,554	(58)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	75,105	(805)	9,825	4,554	(58)
Fund Balances at Beginning of Year	58,786	10,561	17,654	37,115	66
Increase in Inventory Reserve	788	0	0	0	0
Fund Balances End of Year	<u>\$ 134,679</u>	<u>\$ 9,756</u>	<u>\$ 27,479</u>	<u>\$ 41,669</u>	<u>\$ 8</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

Special Enterprise	Classroom Facilities Maintenance	Athletic	Management Information System	Entry Year Programs	Summer School Remediation
\$ 0	\$ 81,838	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	25,393	0	5,000	4,900	0
0	0	0	0	0	0
0	0	88,079	0	0	0
0	0	0	0	0	0
38,317	0	19,131	0	0	0
<u>38,317</u>	<u>107,231</u>	<u>107,210</u>	<u>5,000</u>	<u>4,900</u>	<u>0</u>
0	0	0	0	4,656	94
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	103,932	4,891	2,845	0	0
0	0	0	0	0	0
0	0	0	0	0	0
44,179	0	0	0	0	0
0	0	103,421	0	0	0
0	14,363	1,646	0	0	0
<u>44,179</u>	<u>118,295</u>	<u>109,958</u>	<u>2,845</u>	<u>4,656</u>	<u>94</u>
(5,862)	(11,064)	(2,748)	2,155	244	(94)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,400</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,400</u>	<u>0</u>
(5,862)	(11,064)	(2,748)	2,155	2,644	(94)
54,383	100,587	27,220	3,377	(2,400)	94
0	0	0	0	0	0
<u>\$ 48,521</u>	<u>\$ 89,523</u>	<u>\$ 24,472</u>	<u>\$ 5,532</u>	<u>\$ 244</u>	<u>\$ 0</u>

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	Data Communication	School Net Professional Development	Miscellaneous State Grant	IDEA, Part B
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Interest	0	0	0	0
Sales	0	0	0	0
Intergovernmental - State	9,000	2,430	0	0
Intergovernmental - Federal	0	0	0	272,610
Extracurricular Activities	0	0	0	0
Classroom Materials and Fees	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenue	9,000	2,430	0	272,610
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	40,195
Supporting Services:				
Pupils	0	0	0	2,435
Instructional Staff	0	4,660	0	239,664
Administration	0	0	0	0
Operation and Maintenance of Plant				
Central	2,847	0	0	0
Operation of Non-Instructional:				
Food Service Operations	0	0	0	0
Community Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	2,847	4,660	0	282,294
Excess (Deficiency) of Revenues Over Expenditures	6,153	(2,230)	0	(9,684)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	6,153	(2,230)	0	(9,684)
Fund Balances at Beginning of Year	0	2,230	666	19,011
Increase in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 6,153	\$ 0	\$ 666	\$ 9,327

MADISON LOCAL SCHOOL DISTRICT, OHIO

Title I	Title V	Drug-Free School Grant	IDEA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 81,838
0	0	0	0	0	0	477
0	0	0	0	0	0	543,932
0	0	0	0	0	0	51,006
207,870	1,060	2,585	2,287	62,157	1,922	729,476
0	0	0	0	0	0	139,781
0	0	0	0	0	0	72,892
0	0	0	0	0	0	65,827
<u>207,870</u>	<u>1,060</u>	<u>2,585</u>	<u>2,287</u>	<u>62,157</u>	<u>1,922</u>	<u>1,685,229</u>
140,759	1,126	2,361	2,100	53,483	1,483	269,129
0	0	0	171	0	0	40,366
0	0	0	0	0	0	2,552
55,085	0	0	0	7,394	2,100	308,903
4,231	0	0	0	0	0	4,231
0	0	0	0	0	0	111,776
0	0	0	0	0	0	4,022
0	0	0	0	0	0	652,432
0	0	0	0	0	0	44,179
0	0	0	0	0	0	158,551
0	0	0	0	0	0	16,009
<u>200,075</u>	<u>1,126</u>	<u>2,361</u>	<u>2,271</u>	<u>60,877</u>	<u>3,583</u>	<u>1,612,150</u>
7,795	(66)	224	16	1,280	(1,661)	73,079
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,400</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,400</u>
7,795	(66)	224	16	1,280	(1,661)	75,479
19,097	66	594	358	2,579	1,755	353,799
0	0	0	0	0	0	788
<u>\$ 26,892</u>	<u>\$ 0</u>	<u>\$ 818</u>	<u>\$ 374</u>	<u>\$ 3,859</u>	<u>\$ 94</u>	<u>\$ 430,066</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009**

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 122,764	\$ 2,371,763	\$ 2,494,527
Receivables:			
Taxes	561,539	0	561,539
Total Assets	<u>\$ 684,303</u>	<u>\$ 2,371,763</u>	<u>\$ 3,056,066</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 16,096	\$ 16,096
Accrued Wages and Benefits	4,029	0	4,029
Deferred Revenue	561,539	0	561,539
Total Liabilities	<u>565,568</u>	<u>16,096</u>	<u>581,664</u>
Fund Balances:			
Reserved for Encumbrances	237	0	237
Unreserved, Undesignated in:			
Capital Projects Funds	118,498	2,355,667	2,474,165
Total Fund Balances	<u>118,735</u>	<u>2,355,667</u>	<u>2,474,402</u>
Total Liabilities and Fund Balances	<u>\$ 684,303</u>	<u>\$ 2,371,763</u>	<u>\$ 3,056,066</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009***

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$ 374,713	\$ 0	\$ 374,713
Interest	0	52,091	52,091
Intergovernmental - State	83,737	0	83,737
Total Revenue	<u>458,450</u>	<u>52,091</u>	<u>510,541</u>
Expenditures:			
Current:			
Instruction:			
Regular	106,461	0	106,461
Supporting Services:			
Instructional Staff	21,257	0	21,257
Administration	15,033	0	15,033
Fiscal Services	1,172	0	1,172
Operation and Maintenance of Plant	20,959	0	20,959
Pupil Transportation	5,149	0	5,149
Central	8,748	0	8,748
Capital Outlay	186,347	0	186,347
Debt Service:			
Principal Retirement	158,598	0	158,598
Interest and Fiscal Charges	168,338	0	168,338
Total Expenditures	<u>692,062</u>	<u>0</u>	<u>692,062</u>
Net Change in Fund Balance	(233,612)	52,091	(181,521)
Fund Balances at Beginning of Year	<u>352,347</u>	<u>2,303,576</u>	<u>2,655,923</u>
Fund Balances End of Year	<u>\$ 118,735</u>	<u>\$ 2,355,667</u>	<u>\$ 2,474,402</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Fund – General Fund
For the Fiscal Year Ended June 30, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,025,886	\$ 4,741,258	\$ 4,741,258	\$ 0
Tuition and Fees	380,496	561,658	561,658	0
Interest	80,000	47,908	47,908	0
Extracurricular Activities	79,000	23,276	23,276	0
Intergovernmental - State	6,781,403	6,872,225	6,872,225	0
Miscellaneous	19,000	14,325	14,325	0
Total Revenues	<u>12,365,785</u>	<u>12,260,650</u>	<u>12,260,650</u>	<u>0</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,991,750	4,002,105	4,002,105	0
Fringe Benefits	1,254,561	1,231,362	1,231,362	0
Purchased Services	44,144	58,968	58,968	0
Supplies and Materials	100,759	94,792	94,792	0
Capital Outlay	200	13,677	13,677	0
Total Regular	<u>5,391,414</u>	<u>5,400,904</u>	<u>5,400,904</u>	<u>0</u>
Special:				
Salaries and Wages	679,999	667,856	667,856	0
Fringe Benefits	189,672	198,054	198,054	0
Purchased Services	77,592	24,795	24,795	0
Supplies and Materials	5,450	6,594	6,594	0
Capital Outlay	123	3,445	3,445	0
Total Special	<u>952,836</u>	<u>900,744</u>	<u>900,744</u>	<u>0</u>
Other Instruction:				
Purchased Services	321,871	419,026	419,026	0
Total Other	<u>321,871</u>	<u>419,026</u>	<u>419,026</u>	<u>0</u>
Total Instruction	<u>6,666,121</u>	<u>6,720,674</u>	<u>6,720,674</u>	<u>0</u>

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Fund – General Fund
For the Fiscal Year Ended June 30, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support Services:				
Pupils:				
Salaries and Wages	446,993	477,242	477,242	0
Fringe Benefits	162,398	161,135	161,135	0
Purchased Services	69,664	66,289	66,289	0
Supplies and Materials	8,995	13,183	13,183	0
Capital Outlay	300	1,131	1,131	0
Total Pupils	688,350	718,980	718,980	0
Instructional Staff:				
Salaries and Wages	337,415	294,916	294,916	0
Fringe Benefits	93,759	96,521	96,521	0
Purchased Services	19,175	17,674	17,674	0
Supplies and Materials	10,831	10,143	10,143	0
Capital Outlay	1,000	638	638	0
Total Instructional Staff	462,180	419,892	419,892	0
Board of Education:				
Salaries and Wages	17,741	14,188	14,188	0
Fringe Benefits	2,146	946	946	0
Purchased Services	14,393	80,545	80,545	0
Supplies and Materials	2,931	1,809	1,809	0
Other Expenditures	17,163	17,880	17,880	0
Total Board of Education	54,374	115,368	115,368	0
Administration:				
Salaries and Wages	821,889	832,613	832,613	0
Fringe Benefits	300,858	295,153	295,153	0
Purchased Services	19,919	13,444	13,444	0
Supplies and Materials	17,177	14,510	14,510	0
Other Expenditures	3,051	3,529	3,529	0
Total Administration	1,162,894	1,159,249	1,159,249	0

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Fund – General Fund
For the Fiscal Year Ended June 30, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fiscal:				
Salaries and Wages	191,777	193,420	193,420	0
Fringe Benefits	59,641	68,512	68,512	0
Purchased Services	5,155	2,494	2,494	0
Supplies and Materials	6,599	7,668	7,668	0
Other Expenditures	65,995	48,211	48,211	0
Total Fiscal	<u>329,167</u>	<u>320,305</u>	<u>320,305</u>	<u>0</u>
Business:				
Purchased Services	2,903	1,267	1,267	0
Total Business	<u>2,903</u>	<u>1,267</u>	<u>1,267</u>	<u>0</u>
Operation and Maintenance of Plant:				
Salaries and Wages	389,997	385,601	385,601	0
Fringe Benefits	158,595	152,295	152,295	0
Purchased Services	840,590	749,108	749,108	0
Supplies and Materials	88,699	66,239	66,239	0
Other Expenditures	228	1,026	1,026	0
Capital Outlay	13,700	5,689	5,689	0
Total Operation and Maintenance Of Plant	<u>1,491,809</u>	<u>1,359,958</u>	<u>1,359,958</u>	<u>0</u>
Pupil Transportation:				
Salaries and Wages	23,369	23,700	23,700	0
Fringe Benefits	903	5,179	5,179	0
Purchased Services	656,074	889,876	889,876	0
Supplies and Materials	141,200	71,777	71,777	0
Capital Outlay	79,100	77,980	77,980	0
Total Pupil Transportation	<u>900,646</u>	<u>1,068,512</u>	<u>1,068,512</u>	<u>0</u>

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Fund – General Fund
For the Fiscal Year Ended June 30, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Central:				
Salaries and Wages	3,133	2,374	2,374	0
Fringe Benefits	255	84,195	84,195	0
Purchased Services	32,714	39,287	39,287	0
Other Expenditures	173,271	155,310	155,310	0
Total Central	<u>209,373</u>	<u>281,166</u>	<u>281,166</u>	<u>0</u>
Total Support Services	<u>5,301,696</u>	<u>5,444,697</u>	<u>5,444,697</u>	<u>0</u>
Extracurricular Activities:				
Salaries and Wages	208,155	209,914	209,914	0
Fringe Benefits	28,447	32,220	32,220	0
Total Extracurricular Activities	<u>236,602</u>	<u>242,134</u>	<u>242,134</u>	<u>0</u>
Capital Outlay:				
Capital Outlay	5,000	62,872	62,872	0
Total Capital Outlay	<u>5,000</u>	<u>62,872</u>	<u>62,872</u>	<u>0</u>
Total Expenditures	<u>12,209,419</u>	<u>12,470,377</u>	<u>12,470,377</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	156,366	(209,727)	(209,727)	0
Other Financing Sources (Uses):				
Sale of Capital Assets	0	16,459	16,459	0
Transfers In	0	49,885	49,885	0
Transfers Out	0	(52,478)	(52,478)	0
Advances In	0	8,086	8,086	0
Advances Out	0	(168)	(168)	0
Refund of Prior Year's Expenditures	0	471	471	0
Refund of Prior Year's Receipts	(250,000)	(750)	(750)	0
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>21,505</u>	<u>21,505</u>	<u>0</u>

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Fund – General Fund
For the Fiscal Year Ended June 30, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(93,634)	(188,222)	(188,222)	0
Fund Balance at Beginning of Year	2,149,248	2,149,248	2,149,248	0
Prior Year Encumbrances	36,823	36,823	36,823	0
Fund Balance at End of Year	<u>\$ 2,092,437</u>	<u>\$ 1,997,849</u>	<u>\$ 1,997,849</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Fund – Capital Project Fund
For the Fiscal Year Ended June 30, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
CLASSROOM FACILITIES FUND				
Revenues:				
Interest	\$ 11,000	\$ 13,905	\$ 13,905	\$ 0
Intergovernmental - State	2,424,836	7,741,510	7,741,510	0
Miscellaneous	0	7,500	7,500	0
Total Revenues	<u>2,435,836</u>	<u>7,762,915</u>	<u>7,762,915</u>	<u>0</u>
Expenditures:				
Current:				
Support Services:				
Board of Education:				
Purchased Services	0	240	240	0
Total Board of Education	<u>0</u>	<u>240</u>	<u>240</u>	<u>0</u>
Central:				
Purchased Services	0	50,796	50,796	0
Total Central	<u>0</u>	<u>50,796</u>	<u>50,796</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>51,036</u>	<u>51,036</u>	<u>0</u>
Capital Outlay:				
Purchased Services	2,460,417	1,087,848	1,087,848	0
Other Expenditures	0	50	50	0
Capital Outlay	0	1,454,931	1,454,931	0
Total Capital Outlay	<u>2,460,417</u>	<u>2,542,829</u>	<u>2,542,829</u>	<u>0</u>
Total Expenditures	<u>2,460,417</u>	<u>2,593,865</u>	<u>2,593,865</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,581)	5,169,050	5,169,050	0
Other Financing Sources (Uses):				
Transfers In	0	193	193	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>193</u>	<u>193</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(24,581)	5,169,243	5,169,243	0
Fund Balance at Beginning of Year	735,889	735,889	735,889	0
Prior Year Encumbrances	35,581	35,581	35,581	0
Fund Balance at End of Year	<u>\$ 746,889</u>	<u>\$ 5,940,713</u>	<u>\$ 5,940,713</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

FOOD SERVICES FUND			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Interest	\$ 445	\$ 445	\$ 0
Sales	543,932	543,932	0
Intergovernmental - State	4,283	4,283	0
Intergovernmental - Federal	178,985	178,985	0
Miscellaneous	0	0	0
Total Revenues	727,645	727,645	0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Supplies and Materials	108	108	0
Total Support Services	108	108	0
Non-Instructional:			
Food Service Operations:			
Salaries and Wages	234,984	234,984	0
Fringe Benefits	64,229	64,229	0
Purchased Services	18,882	18,882	0
Supplies and Materials	341,201	341,201	0
Capital Outlay	440	440	0
Total Non-Instructional Services	659,736	659,736	0
Total Expenditures	659,844	659,844	0
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	67,801	67,801	0
Other Financing Sources (Uses):			
Refund of Prior Year's Expenditures	304	304	0
Total Other Financing Sources (Uses):	304	304	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	68,105	68,105	0
Fund Balance at Beginning of Year			
	97,431	97,431	0
Prior Year Encumbrances			
	550	550	0
Fund Balance at End of Year			
	\$ 166,086	\$ 166,086	\$ 0

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	SPECIAL TRUST FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Interest	\$ 32	\$ 32	\$ 0
Miscellaneous	100	100	0
Total Revenues	<u>132</u>	<u>132</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupils:			
Supplies and Materials	117	117	0
Total Support Services	<u>117</u>	<u>117</u>	<u>0</u>
Extracurricular Activities:			
Supplies and Materials	520	520	0
Other Expenditures	300	300	0
Total Extracurricular Activities	<u>820</u>	<u>820</u>	<u>0</u>
Total Expenditures	<u>937</u>	<u>937</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(805)	(805)	0
Fund Balance at Beginning of Year	10,561	10,561	0
Fund Balance at End of Year	<u>\$ 9,756</u>	<u>\$ 9,756</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Classroom Material and Fees	\$ 72,892	\$ 72,892	\$ 0
Total Revenues	<u>72,892</u>	<u>72,892</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	63,241	63,241	0
Total Expenditures	<u>63,241</u>	<u>63,241</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	9,651	9,651	0
Fund Balance at Beginning of Year	17,169	17,169	0
Prior Year Encumbrances	485	485	0
Fund Balance at End of Year	<u>\$ 27,305</u>	<u>\$ 27,305</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	PUBLIC SCHOOL FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Extracurricular Activities	\$ 51,702	\$ 51,702	\$ 0
Miscellaneous	1,000	1,000	0
Total Revenues	<u>52,702</u>	<u>52,702</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities:			
Other Expenditures	49,483	49,483	0
Total Expenditures	<u>49,483</u>	<u>49,483</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,219	3,219	0
Fund Balance at Beginning of Year	37,147	37,147	0
Fund Balance at End of Year	<u>\$ 40,366</u>	<u>\$ 40,366</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	OTHER GRANT FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Miscellaneous	\$ 7,279	\$ 7,279	\$ 0
Total Revenues	7,279	7,279	0
Expenditures:			
Current:			
Support Services:			
Central:			
Supplies and Materials	1,175	1,175	0
Total Support Services	1,175	1,175	0
Extracurricular Activities:			
Other Expenditures	6,162	6,162	0
Total Extracurricular Activities	6,162	6,162	0
Total Expenditures	7,337	7,337	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58)	(58)	0
Other Financing Sources (Uses):			
Advances In	168	168	0
Total Other Financing Sources (Uses):	168	168	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	110	110	0
Fund Balance at Beginning of Year	66	66	0
Fund Balance at End of Year	\$ 176	\$ 176	\$ 0

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

SPECIAL ENTERPRISE FUND			Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u> </u>
Revenues:			
Miscellaneous	\$ 38,317	\$ 38,317	\$ 0
Total Revenues	<u>38,317</u>	<u>38,317</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional:			
Community Services:			
Salaries and Wages	19,364	19,364	0
Fringe Benefits	2,496	2,496	0
Supplies and Materials	11,451	11,451	0
Capital Outlay	<u>10,894</u>	<u>10,894</u>	<u>0</u>
Total Expenditures	<u>44,205</u>	<u>44,205</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(5,888)	(5,888)	0
Fund Balance at Beginning of Year	<u>54,409</u>	<u>54,409</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 48,521</u>	<u>\$ 48,521</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

CLASSROOM FACILITIES MAINTENANCE FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 81,838	\$ 81,838	\$ 0
Intergovernmental - State	25,393	25,393	0
Total Revenues	107,231	107,231	0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	72,125	72,125	0
Supplies and Materials	12,769	12,769	0
Other Expenditures	200	200	0
Capital Outlay	20,478	20,478	0
Total Support Services	105,572	105,572	0
Capital Outlay:			
Capital Outlay	14,363	14,363	0
Total Capital Outlay	14,363	14,363	0
Total Expenditures	119,935	119,935	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,704)	(12,704)	0
Fund Balance at Beginning of Year	98,487	98,487	0
Prior Year Encumbrances	2,100	2,100	0
Fund Balance at End of Year	\$ 87,883	\$ 87,883	\$ 0

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	ATHLETIC FUND		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular Activities	\$ 88,079	\$ 88,079	\$ 0
Miscellaneous	19,131	19,131	0
Total Revenues	<u>107,210</u>	<u>107,210</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Salaries and Wages	4,630	4,630	0
Fringe Benefits	261	261	0
Total Support Services	<u>4,891</u>	<u>4,891</u>	<u>0</u>
Extracurricular Activities:			
Salaries and Wages	1,400	1,400	0
Fringe Benefits	216	216	0
Purchased Services	10,799	10,799	0
Supplies and Materials	15,776	15,776	0
Other Expenditures	64,374	64,374	0
Capital Outlay	19,966	19,966	0
Total Extracurricular Activities	<u>112,531</u>	<u>112,531</u>	<u>0</u>
Capital Outlay:			
Capital Outlay	1,646	1,646	0
Total Capital Outlay	<u>1,646</u>	<u>1,646</u>	<u>0</u>
Total Expenditures	<u>119,068</u>	<u>119,068</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(11,858)	(11,858)	0
Fund Balance at Beginning of Year	19,323	19,323	0
Prior Year Encumbrances	9,705	9,705	0
Fund Balance at End of Year	<u>\$ 17,170</u>	<u>\$ 17,170</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

MANAGEMENT INFORMATION SYSTEM FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 5,000	\$ 5,000	\$ 0
Total Revenues	5,000	5,000	0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	2,845	2,845	0
Total Expenditures	2,845	2,845	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,155	2,155	0
Fund Balance at Beginning of Year	3,377	3,377	0
Fund Balance at End of Year	\$ 5,532	\$ 5,532	\$ 0

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
ENTRY YEAR PROGRAMS FUND			
Revenues:			
Intergovernmental - State	\$ 4,900	\$ 4,900	\$ 0
Total Revenues	<u>4,900</u>	<u>4,900</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,850	3,850	0
Fringe Benefits	56	56	0
Purchased Services	<u>750</u>	<u>750</u>	<u>0</u>
Total Expenditures	<u>4,656</u>	<u>4,656</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	244	244	0
Other Financing Sources (Uses):			
Transfers In	2,400	2,400	0
Advances Out	<u>(2,400)</u>	<u>(2,400)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	244	244	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 244</u></u>	<u><u>\$ 244</u></u>	<u><u>\$ 0</u></u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular:			
Other Expenditures	94	94	0
Total Expenditures	94	94	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94)	(94)	0
Fund Balance at Beginning of Year	94	94	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

DATA COMMUNICATIONS FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 9,000	\$ 9,000	\$ 0
Total Revenues	9,000	9,000	0
Expenditures:			
Current:			
Support Services:			
Central:			
Purchased Services	2,847	2,847	0
Total Expenditures	2,847	2,847	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	6,153	6,153	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 6,153	\$ 6,153	\$ 0

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
SCHOOL NET PROFESSIONAL DEVELOPMENT FUND			
Revenues:			
Intergovernmental - State	\$ 2,430	\$ 2,430	\$ 0
Total Revenues	<u>2,430</u>	<u>2,430</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	4,660	4,660	0
Total Expenditures	<u>4,660</u>	<u>4,660</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,230)	(2,230)	0
Fund Balance at Beginning of Year	<u>2,230</u>	<u>2,230</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>666</u>	<u>666</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 666</u></u>	<u><u>\$ 666</u></u>	<u><u>\$ 0</u></u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

IDEA, PART B FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 295,957	\$ 295,957	\$ 0
Total Revenues	295,957	295,957	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	32,491	32,491	0
Fringe Benefits	8,271	8,271	0
Supplies and Materials	215	215	0
Total Instruction	40,977	40,977	0
Support Services:			
Pupils:			
Purchased Services	2,435	2,435	0
Total Pupils	2,435	2,435	0
Instructional Staff:			
Salaries and Wages	185,879	185,879	0
Fringe Benefits	56,843	56,843	0
Total Instructional Staff	242,722	242,722	0
Total Support Services	245,157	245,157	0
Total Expenditures	286,134	286,134	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,823	9,823	0

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	IDEA, PART B FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u> </u>
Other Financing Sources (Uses):			
Transfers In	7,490	7,490	0
Transfers Out	<u>(7,490)</u>	<u>(7,490)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	9,823	9,823	0
Fund Balance at Beginning of Year	11,118	11,118	0
Prior Year Encumbrances	<u>7,069</u>	<u>7,069</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 28,010</u>	<u>\$ 28,010</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	TITLE I FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental - Federal	\$ 209,150	\$ 209,150	\$ 0
Total Revenues	209,150	209,150	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	83,944	83,944	0
Fringe Benefits	28,959	28,959	0
Supplies and Materials	21,604	21,604	0
Total Instruction	134,507	134,507	0
Support Services:			
Instructional Staff:			
Salaries and Wages	22,206	22,206	0
Fringe Benefits	5,369	5,369	0
Purchased Services	27,139	27,139	0
Supplies and Materials	4,271	4,271	0
Total Instructional Staff	58,985	58,985	0
Administration:			
Salaries and Wages	3,000	3,000	0
Fringe Benefits	1,231	1,231	0
Total Administration	4,231	4,231	0
Total Support Services	63,216	63,216	0
Operation of Non-Instructional:			
Community Services:			
Supplies and Materials	204	204	0
Total Community Services	204	204	0
Total Expenditures	197,927	197,927	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	11,223	11,223	0

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	TITLE I FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u> </u>
Other Financing Sources (Uses):			
Transfers In	7,214	7,214	0
Transfers Out	<u>(7,214)</u>	<u>(7,214)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	11,223	11,223	0
Fund Balance at Beginning of Year	353	353	0
Prior Year Encumbrances	<u>4,186</u>	<u>4,186</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,762</u>	<u>\$ 15,762</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	TITLE V FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental - Federal	\$ 2,313	\$ 2,313	\$ 0
Total Revenues	2,313	2,313	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	1,126	1,126	0
Total Expenditures	1,126	1,126	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,187	1,187	0
Other Financing Sources (Uses):			
Advances Out	(1,187)	(1,187)	0
Total Other Financing Sources (Uses):	(1,187)	(1,187)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
DRUG-FREE SCHOOL GRANT FUND			
Revenues:			
Intergovernmental - Federal	\$ 4,037	\$ 4,037	\$ 0
Total Revenues	<u>4,037</u>	<u>4,037</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	2,311	2,311	0
Supplies and Materials	<u>461</u>	<u>461</u>	<u>0</u>
Total Expenditures	<u>2,772</u>	<u>2,772</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,265	1,265	0
Other Financing Sources (Uses):			
Transfers In	1,000	1,000	0
Transfers Out	(1,000)	(1,000)	0
Advances Out	<u>(1,122)</u>	<u>(1,122)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(1,122)</u>	<u>(1,122)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	143	143	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>670</u>	<u>670</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 813</u>	<u>\$ 813</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
IDEA PRESCHOOL GRANT FUND			
Revenues:			
Intergovernmental - Federal	\$ 4,102	\$ 4,102	\$ 0
Total Revenues	<u>4,102</u>	<u>4,102</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	2,100	2,100	0
Total Regular	<u>2,100</u>	<u>2,100</u>	<u>0</u>
Special:			
Capital Outlay	171	171	0
Total Special	<u>171</u>	<u>171</u>	<u>0</u>
Total Expenditures	<u>2,271</u>	<u>2,271</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,831	1,831	0
Other Financing Sources (Uses):			
Transfers In	358	358	0
Transfers Out	(358)	(358)	0
Advances Out	<u>(1,457)</u>	<u>(1,457)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,457)</u>	<u>(1,457)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	374	374	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 374</u>	<u>\$ 374</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
IMPROVING TEACHER QUALITY FUND			
Revenues:			
Intergovernmental - Federal	\$ 65,669	\$ 65,669	\$ 0
Total Revenues	<u>65,669</u>	<u>65,669</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	42,241	42,241	0
Fringe Benefits	<u>10,848</u>	<u>10,848</u>	<u>0</u>
Total Instruction	<u>53,089</u>	<u>53,089</u>	<u>0</u>
Support Services:			
Instructional Staff:			
Purchased Services	<u>9,506</u>	<u>9,506</u>	<u>0</u>
Total Support Services	<u>9,506</u>	<u>9,506</u>	<u>0</u>
Total Expenditures	<u>62,595</u>	<u>62,595</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,074	3,074	0
Other Financing Sources (Uses):			
Transfers In	1,666	1,666	0
Transfers Out	<u>(1,666)</u>	<u>(1,666)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,074)	(3,074)	0
Fund Balance at Beginning of Year	2,158	2,158	0
Prior Year Encumbrances	<u>1,521</u>	<u>1,521</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,753</u>	<u>\$ 6,753</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
MISCELLANEOUS FEDERAL GRANT FUNDS			
Revenues:			
Intergovernmental - Federal	\$ 3,655	\$ 3,655	\$ 0
Total Revenues	<u>3,655</u>	<u>3,655</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital Outlay	1,483	1,483	0
Total Instruction	<u>1,483</u>	<u>1,483</u>	<u>0</u>
Support Services:			
Instructional Staff:			
Purchased Services	2,100	2,100	0
Total Support Services	<u>2,100</u>	<u>2,100</u>	<u>0</u>
Total Expenditures	<u>3,583</u>	<u>3,583</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	72	72	0
Other Financing Sources (Uses):			
Transfers In	155	155	0
Transfers Out	(155)	(155)	0
Advances Out	(1,920)	(1,920)	0
Total Other Financing Sources (Uses)	<u>(1,920)</u>	<u>(1,920)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,848	1,848	0
Fund Balance at Beginning of Year	1	1	0
Prior Year Encumbrances	1,941	1,941	0
Fund Balance at End of Year	<u>\$ 94</u>	<u>\$ 94</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2009**

DEBT SERVICE FUND			Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u> </u>
Revenues:			
Taxes	\$ 814,927	\$ 814,927	\$ 0
Intergovernmental - State	127,446	127,446	0
Total Revenues	<u>942,373</u>	<u>942,373</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Central:			
Other Expenditures	<u>13,356</u>	<u>13,356</u>	<u>0</u>
Total Support Services	<u>13,356</u>	<u>13,356</u>	<u>0</u>
Debt Service:			
Principal Retirement	465,000	465,000	0
Interest and Fiscal Charges	<u>427,725</u>	<u>427,725</u>	<u>0</u>
Total Expenditures	<u>906,081</u>	<u>906,081</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	36,292	36,292	0
Fund Balance at Beginning of Year			
Fund Balance at End of Year	<u>\$ 335,353</u>	<u>\$ 335,353</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
PERMANENT IMPROVEMENT FUND			
Revenues:			
Taxes	\$ 534,713	\$ 534,713	\$ 0
Intergovernmental - State	<u>83,737</u>	<u>83,737</u>	<u>0</u>
Total Revenues	<u>618,450</u>	<u>618,450</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	1,715	1,715	0
Supplies and Materials	73,460	73,460	0
Capital Outlay	<u>32,936</u>	<u>32,936</u>	<u>0</u>
Total Instruction	<u>108,111</u>	<u>108,111</u>	<u>0</u>
Support Services:			
Instructional Staff:			
Supplies and Materials	11,887	11,887	0
Capital Outlay	<u>14,804</u>	<u>14,804</u>	<u>0</u>
Total Instructional Staff	<u>26,691</u>	<u>26,691</u>	<u>0</u>
Administration:			
Capital Outlay	<u>15,033</u>	<u>15,033</u>	<u>0</u>
Total Administration	<u>15,033</u>	<u>15,033</u>	<u>0</u>
Fiscal:			
Capital Outlay	<u>1,172</u>	<u>1,172</u>	<u>0</u>
Total Fiscal	<u>1,172</u>	<u>1,172</u>	<u>0</u>
Operation and Maintenance of Plant:			
Purchased Services	6,585	6,585	0
Capital Outlay	<u>14,374</u>	<u>14,374</u>	<u>0</u>
Total Operation and Maintenance Of Plant	<u>20,959</u>	<u>20,959</u>	<u>0</u>

(Continued)

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009**

PERMANENT IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Pupil Transportation:			
Purchased Services	28,752	28,752	0
Total Pupil Transportation	<u>28,752</u>	<u>28,752</u>	<u>0</u>
Central:			
Other Expenditures	8,748	8,748	0
Total Central	<u>8,748</u>	<u>8,748</u>	<u>0</u>
Total Support Services	<u>101,355</u>	<u>101,355</u>	<u>0</u>
Capital Outlay:			
Salaries and Wages	48,646	48,646	0
Fringe Benefits	11,508	11,508	0
Purchased Services	301,683	301,683	0
Capital Outlay	123,793	123,793	0
Total Capital Outlay	<u>485,630</u>	<u>485,630</u>	<u>0</u>
Total Expenditures	<u>695,096</u>	<u>695,096</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,646)	(76,646)	0
Other Financing Sources (Uses):			
Transfers In	32,800	32,800	0
Transfers Out	<u>(32,800)</u>	<u>(32,800)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(76,646)	(76,646)	0
Fund Balance at Beginning of Year	186,039	186,039	0
Prior Year Encumbrances	<u>13,134</u>	<u>13,134</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 122,527</u>	<u>\$ 122,527</u>	<u>\$ 0</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009**

		BUILDING FUND		Variance with Final Budget Positive (Negative)
		<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Interest		\$ 52,091	\$ 52,091	\$ 0
Total Revenues		<u>52,091</u>	<u>52,091</u>	<u>0</u>
Expenditures:				
Current:				
Capital Outlay:				
Purchased Services		103,057	103,057	0
Total Expenditures		<u>103,057</u>	<u>103,057</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		(50,966)	(50,966)	0
Fund Balance at Beginning of Year		<u>2,422,729</u>	<u>2,422,729</u>	<u>0</u>
Fund Balance at End of Year		<u><u>\$ 2,371,763</u></u>	<u><u>\$ 2,371,763</u></u>	<u><u>\$ 0</u></u>

MADISON LOCAL SCHOOL DISTRICT, OHIO



MADISON LOCAL SCHOOL DISTRICT, OHIO

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Student Managed Activity Fund

To account for resources that belong to the student bodies of the various schools for sales and other revenue generating activities.

MADISON LOCAL SCHOOL DISTRICT, OHIO

Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<i><u>Student Managed Activity Fund</u></i>				
Assets:				
Cash and Cash Equivalents	\$47,610	\$104,702	(\$102,208)	\$50,104
Total Assets	<u>\$47,610</u>	<u>\$104,702</u>	<u>(\$102,208)</u>	<u>\$50,104</u>
Liabilities:				
Due to Students	\$47,610	\$104,702	(\$102,208)	\$50,104
Total Liabilities	<u>\$47,610</u>	<u>\$104,702</u>	<u>(\$102,208)</u>	<u>\$50,104</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2009***

Capital Assets

Land	\$93,258
Construction in Progress	2,527,058
Land Improvements	228,740
Buildings	14,996,631
Furniture, Fixtures and Equipment	2,974,635
Vehicles	1,217,842
	<hr/>
Total Capital Assets	\$22,038,164
	<hr/> <hr/>

Investment in Capital Assets from:

General Fund	\$1,733,762
Special Revenue Funds	527,645
Capital Project Funds	17,258,886
Donations	7,763
Acquisitons prior to 2000	2,510,108
	<hr/>
Total Investment in Capital Assets	\$22,038,164
	<hr/> <hr/>

MADISON LOCAL SCHOOL DISTRICT, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2009**

Function and Activity	Land	Construction in Progress	Land Improvements
Instructional Services			
Regular	\$0	\$0	\$81,500
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Administration	93,258	0	87,490
Fiscal Services	0	0	0
Business	0	0	1,492
Operation and Maintenance of Plant	0	0	58,258
Pupil Transportation	0	0	0
Non-Instructional Services:			
Food Services	0	0	0
Community Services	0	0	0
Extracurricular Activities	0	0	0
Facility Acquisition and Construction	0	2,527,058	0
Total Capital Assets	<u>\$93,258</u>	<u>\$2,527,058</u>	<u>\$228,740</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

<u>Buildings</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$12,822,098	\$1,328,548	\$0	\$14,232,146
0	29,091	0	29,091
0	8,171	0	8,171
0	59,030	0	59,030
0	87,185	0	87,185
1,908,604	507,288	0	2,596,640
0	23,370	0	23,370
40,088	223,886	32,220	297,686
208,794	247,156	22,115	536,323
0	13,478	1,159,507	1,172,985
0	339,552	0	339,552
0	14,799	0	14,799
1,119	93,081	4,000	98,200
15,928	0	0	2,542,986
<u>\$14,996,631</u>	<u>\$2,974,635</u>	<u>\$1,217,842</u>	<u>\$22,038,164</u>

MADISON LOCAL SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For the Fiscal Year Ended June 30, 2009***

Function and Activity	June 30, 2008	Additions	Deletions	June 30, 2009
Instructional Services				
Regular	\$14,188,965	\$43,181	\$0	\$14,232,146
Special	26,497	2,850	(256)	29,091
Vocational	8,171	0	0	8,171
Support Services:				
Pupils	58,731	299	0	59,030
Instructional Staff	85,165	2,020	0	87,185
Administration	2,582,016	14,624	0	2,596,640
Fiscal Services	22,285	1,085	0	23,370
Business	298,286	0	(600)	297,686
Operation and Maintenance of Plant	523,164	13,474	(315)	536,323
Pupil Transportation	1,172,985	0	0	1,172,985
Non-Instructional Services:				
Food Services	339,161	391	0	339,552
Community Services	3,905	10,894	0	14,799
Extracurricular Activities	98,200	0	0	98,200
Facility Acquisition and Construction	15,928	2,527,058	0	2,542,986
Total Capital Assets	<u>\$19,423,459</u>	<u>\$2,615,876</u>	<u>(\$1,171)</u>	<u>\$22,038,164</u>

STATISTICAL SECTION

MADISON LOCAL SCHOOL DISTRICT, OHIO



STATISTICAL TABLES

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Revenue Capacity	S 14 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue sources, the property tax.	
Debt Capacity	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Economic and Demographic Information	S 30 – S 35
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 36 – S 45
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

Madison Local School District

*Net Assets by Component
Last Six Years
(accrual basis of accounting)*

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$1,143,794	\$1,075,051	\$916,673	\$521,743
Restricted for:				
Capital Projects	725,954	94,322	108,533	256,243
Debt Service	20,290	93,691	115,956	261,549
Other Purposes	217,175	159,140	127,062	107,979
Unrestricted	776,747	821,540	799,808	2,012,134
Total Governmental Activities Net Assets	<u>\$2,883,960</u>	<u>\$2,243,744</u>	<u>\$2,068,032</u>	<u>\$3,159,648</u>

Source: District Treasurer's Office

Madison Local School District

<u>2008</u>	<u>2009</u>
\$165,652	\$2,533,325
17,522,646	14,958,669
569,900	327,827
357,848	421,798
<u>2,354,826</u>	<u>2,837,890</u>
<u>\$20,970,872</u>	<u>\$21,079,509</u>

Madison Local School District

*Changes in Net Assets
Last Six Years
(accrual basis of accounting)*

	2004	2005	2006	2007
Expenses				
Governmental Activities				
Instruction				
Regular	\$5,688,021	\$6,127,123	\$6,141,323	\$6,306,625
Special	746,284	776,457	778,170	794,473
Vocational	0	0	0	12,441
Other Instruction	0	0	0	291,716
Support Services				
Pupils	649,949	582,839	584,600	543,365
Instructional Staff	751,680	652,532	664,775	722,751
Board of Education	53,595	43,010	57,503	61,133
Administration	1,042,275	1,036,876	958,133	1,108,077
Fiscal Services	298,568	318,707	256,200	275,368
Business	54,980	62,336	141,774	51,819
Operation and Maintenance of Plant	1,382,213	1,260,486	1,341,187	1,485,279
Pupil Transportation	694,356	705,198	729,056	817,794
Central	248,381	233,006	312,118	338,217
Operation of Non-Instructional:				
Food Service Operations	552,891	573,775	594,120	692,263
Community Services	18,965	21,326	21,801	28,787
Extracurricular Activities	343,712	328,341	325,555	368,909
Interest and Fiscal Charges	695,572	690,485	676,055	521,580
<i>Total Primary Government Expenses</i>	<u>\$13,221,442</u>	<u>\$13,412,497</u>	<u>\$13,582,370</u>	<u>\$14,420,597</u>
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction				
Regular	\$112,572	\$140,959	\$200,640	\$433,991
Support Services				
Business	128	0	0	0
Central	0	0	0	0
Operation of Non-Instructional:				
Food Service Operations	421,704	436,085	455,545	466,236
Community Services	21,172	28,303	32,135	35,970
Extracurricular Activities	136,760	155,028	272,272	235,933
Operating Grants and Contributions	621,334	716,572	775,865	711,799
Capital Grants and Contributions	0	0	0	0
<i>Total Primary Government Program Revenues</i>	<u>1,313,670</u>	<u>1,476,947</u>	<u>1,736,457</u>	<u>1,883,929</u>

(continued)

Madison Local School District

<u>2008</u>	<u>2009</u>
\$6,073,136	\$6,160,438
960,398	943,813
1,275	1,275
318,253	419,026
670,149	703,818
820,782	777,391
45,506	115,608
1,187,213	1,217,630
302,472	360,928
2,485	1,267
1,665,428	1,456,957
1,196,774	1,132,259
281,041	348,879
687,671	671,806
30,838	45,775
390,004	411,853
699,486	679,062
<u>\$15,332,911</u>	<u>\$15,447,785</u>
\$636,562	\$665,055
0	0
792	1,166
516,862	543,932
47,680	38,317
227,776	189,402
900,245	755,088
17,224,566	0
<u>19,554,483</u>	<u>2,192,960</u>

Madison Local School District

*Changes in Net Assets
Last Six Years
(accrual basis of accounting)*

	2004	2005	2006	2007
Net (Expense)/Revenue				
Governmental Activities	(11,907,772)	(11,935,550)	(11,845,913)	(12,536,668)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$11,907,772)</u></u>	<u><u>(\$11,935,550)</u></u>	<u><u>(\$11,845,913)</u></u>	<u><u>(\$12,536,668)</u></u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property	\$4,296,489	\$4,107,527	\$4,193,287	\$5,886,523
Income	704,304	777,873	820,821	852,750
Grants and Entitlements not				
Restricted to Specific Programs	6,583,432	6,378,428	6,631,316	6,819,302
Investment Earnings	4,537	31,506	24,957	69,709
Miscellaneous	0	0	0	0
<i>Total Primary Government</i>	<u><u>\$11,588,762</u></u>	<u><u>\$11,295,334</u></u>	<u><u>\$11,670,381</u></u>	<u><u>\$13,628,284</u></u>
Change in Net Assets				
<i>Total Primary Government Change in Net Assets</i>	<u><u>(\$319,010)</u></u>	<u><u>(\$640,216)</u></u>	<u><u>(\$175,532)</u></u>	<u><u>\$1,091,616</u></u>

Source: District Treasurer's Office

Madison Local School District

<u>2008</u>	<u>2009</u>
<u>4,221,572</u>	<u>(13,254,825)</u>
<u>\$4,221,572</u>	<u>(\$13,254,825)</u>
\$5,424,737	\$5,294,613
921,767	844,829
7,019,001	7,102,137
212,867	114,383
11,280	7,500
<u>\$13,589,652</u>	<u>\$13,363,462</u>
<u>\$17,811,224</u>	<u>\$108,637</u>

Madison Local School District

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2000	2001	2002	2003
General Fund				
Reserved	\$416,902	\$980,790	\$1,093,598	\$321,529
Unreserved	285,439	418,327	511,037	378,048
<i>Total General Fund</i>	<u>702,341</u>	<u>1,399,117</u>	<u>1,604,635</u>	<u>699,577</u>
All Other Governmental Funds				
Reserved	9,109,754	2,982,449	848,515	303,776
Unreserved, Undesignated in:				
Special Revenue Funds	53,952	104,045	72,822	46,658
Capital Projects Funds	<u>(1,847,058)</u>	<u>(729,380)</u>	<u>255,684</u>	<u>418,107</u>
Total All Other Governmental Funds	<u>7,316,648</u>	<u>2,357,114</u>	<u>1,177,021</u>	<u>768,541</u>
<i>Total Governmental Funds</i>	<u><u>\$8,018,989</u></u>	<u><u>\$3,756,231</u></u>	<u><u>\$2,781,656</u></u>	<u><u>\$1,468,118</u></u>

Source: District Treasurer's Office

Madison Local School District

2004	2005	2006	2007	2008	2009
\$919,186	\$1,087,904	\$581,134	\$1,056,758	\$685,000	\$1,440,311
(207,221)	(285,953)	128,318	832,467	1,560,542	1,263,772
711,965	801,951	709,452	1,889,225	2,245,542	2,704,083
348,236	370,385	427,091	490,645	778,159	501,518
242,009	198,732	150,286	105,306	327,982	412,350
512,889	(163,390)	(171,905)	78,459	3,224,112	8,414,878
1,103,134	405,727	405,472	674,410	4,330,253	9,328,746
\$1,815,099	\$1,207,678	\$1,114,924	\$2,563,635	\$6,575,795	\$12,032,829

Madison Local School District

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2000	2001	2002	2003
Revenues:				
Taxes	\$3,370,936	\$4,346,085	\$4,096,741	\$3,702,402
Tuition	64,155	34,586	62,682	64,925
Investment Earnings	617,982	626,566	86,570	21,320
Food Services	0	0	0	0
Extracurricular Activities	171,632	208,305	132,944	119,444
Class Materials and Fees	0	0	0	0
Intergovernmental - State	5,468,119	5,725,850	6,282,526	6,846,472
Intergovernmental - Federal	0	0	0	0
All Other Revenue	39,554	97,145	112,373	96,901
Total Revenue	9,732,378	11,038,537	10,773,836	10,851,464
Expenditures:				
Current:				
Instruction				
Regular	4,298,680	4,537,756	4,667,973	5,060,786
Special	541,587	583,944	635,093	694,910
Vocational	0	0	0	0
Other Instruction	11,400	0	0	0
Supporting Services:				
Pupils	425,912	448,186	443,741	612,604
Instructional Staff	485,590	482,450	549,793	522,786
Board of Education	22,645	27,887	48,581	51,647
Administration	773,940	682,718	783,319	950,302
Fiscal Services	229,124	197,008	262,314	279,085
Business	149,290	88,186	47,586	125,823
Operation and Maintenance of Plant	917,539	861,514	1,142,547	1,313,091
Pupil Transportation	537,034	551,903	627,199	608,535
Central	135,983	144,942	154,233	185,381
Operation of Non-Instructional:				
Food Services Operations	0	0	0	0
Community Services	0	0	0	0
Extracurricular Activities	339,181	376,111	330,150	325,479
Capital Outlay	3,253,607	8,657,297	1,664,017	838,511
Debt Service:				
Principal Retirement	10,065,442	69,472	88,888	149,564
Interest and Fiscal Charges	603,410	701,114	690,917	681,498
Total Expenditures	22,790,364	18,410,488	12,136,351	12,400,002
Excess (Deficiency) of Revenues Over Expenditures	(13,057,986)	(7,371,951)	(1,362,515)	(1,548,538)

Madison Local School District

2004	2005	2006	2007	2008	2009
\$4,992,466	\$4,850,534	\$5,001,503	\$6,931,174	\$6,119,988	\$6,377,518
38,282	57,602	73,179	319,505	532,606	561,658
4,537	31,506	24,957	69,709	212,867	114,383
421,613	435,577	455,158	465,626	516,641	543,932
130,001	148,532	266,822	228,200	221,233	163,057
60,219	54,313	67,140	62,510	67,889	72,892
6,690,911	6,451,022	6,693,694	6,865,675	7,786,108	14,875,924
516,243	643,978	713,307	665,426	848,125	729,476
39,833	64,351	98,293	96,289	102,583	103,832
<u>12,894,105</u>	<u>12,737,415</u>	<u>13,394,053</u>	<u>15,704,114</u>	<u>16,408,040</u>	<u>23,542,672</u>
5,319,534	5,749,829	5,802,366	5,943,197	5,586,194	5,803,957
750,421	778,311	797,896	798,490	910,242	954,000
0	0	0	12,175	0	0
0	0	0	292,558	308,413	419,026
648,489	592,552	602,887	532,599	636,773	716,471
747,726	662,393	670,490	719,504	788,684	750,448
54,073	43,291	58,011	61,309	44,099	115,608
1,006,102	1,002,205	943,723	1,066,678	1,086,362	1,192,440
284,640	314,118	259,777	288,633	290,748	359,784
32,347	44,227	125,505	33,551	2,408	1,267
1,363,036	1,245,533	1,337,274	1,468,316	1,568,375	1,416,975
611,465	636,970	684,851	766,265	1,106,232	1,070,769
250,595	234,526	314,877	339,193	272,351	348,879
541,691	555,733	587,672	674,624	656,595	652,432
19,036	21,349	21,870	28,552	29,402	44,179
337,036	320,011	303,323	375,836	367,128	400,685
61,878	167,374	0	27,150	741,098	2,648,294
233,144	282,449	300,693	285,275	569,564	623,598
696,458	691,461	677,361	697,291	659,165	596,063
<u>12,957,671</u>	<u>13,342,332</u>	<u>13,488,576</u>	<u>14,411,196</u>	<u>15,623,833</u>	<u>18,114,875</u>
(63,566)	(604,917)	(94,523)	1,292,918	784,207	5,427,797

Madison Local School District

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2000	2001	2002	2003
Other Financing Sources (Uses):				
Issuance of Refunding Bonds	0	0	0	0
Premium on Issuance of Refunding Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Issuance of General Obligation Bonds	10,000,000	3,109,193	0	0
Issuance of General Obligation Notes	10,000,000	0	0	0
New Capital Leases	0	0	450,000	0
Transfers In	394,121	3,287,275	180,229	78,000
Transfers Out	(394,121)	(3,287,275)	(180,229)	(78,000)
Refund of P/Y Expenditures	1,427	0	0	0
Sale of Capital Assets	0	0	0	235,000
Total Other Financing Sources (Uses)	<u>20,001,427</u>	<u>3,109,193</u>	<u>450,000</u>	<u>235,000</u>
Net Change in Fund Balance	<u>\$6,943,441</u>	<u>(\$4,262,758)</u>	<u>(\$912,515)</u>	<u>(\$1,313,538)</u>

(1) Food Service Operations were reclassified from Business-Type Activity to Governmental Activity in 2004 when the District implemented GASB 34.

(2) Intergovernmental Revenues were not split into State and Federal categories until 2004. Classroom Materials were included with Tuition until 2004.

Source: District Treasurer's Office

Madison Local School District

2004	2005	2006	2007	2008	2009
0	0	0	10,254,991	0	0
0	0	0	764,118	0	0
0	0	0	(10,862,377)	0	0
0	0	0	0	0	0
0	0	0	0	0	0
194,630	0	0	0	3,229,000	28,449
0	409,143	50,000	0	1,000	2,593
0	(409,143)	(50,000)	0	(1,000)	(2,593)
0	0	0	0	0	0
0	0	0	0	0	0
194,630	0	0	156,732	3,229,000	28,449
<u>\$131,064</u>	<u>(\$604,917)</u>	<u>(\$94,523)</u>	<u>\$1,449,650</u>	<u>\$4,013,207</u>	<u>\$5,456,246</u>

Madison Local School District

Assessed Valuations and Estimated True Values of Taxable Property
(per \$1,000 of assessed value)
Last Ten Calendar Years

Tax year	1999	2000	2001	2002
Real Property				
Assessed	104,764,040	106,923,210	109,939,950	132,682,570
Actual	299,325,829	305,494,886	314,114,143	379,093,057
Public Utility				
Assessed	5,941,790	4,767,550	3,965,390	4,029,500
Actual	5,941,790	4,767,550	3,965,390	4,029,500
Tangible Personal Property				
Assessed	3,676,464	5,581,820	5,055,735	4,809,494
Actual	14,705,856	22,327,280	20,222,940	19,237,976
Total				
Assessed	114,382,294	117,272,580	118,961,075	141,521,564
Actual	319,973,475	332,589,716	338,302,473	402,360,533
Assessed Value as a Percentage of Actual Value	35.75%	35.26%	35.16%	35.17%
Total Direct Tax Rate	\$29.40	\$29.75	\$30.00	\$29.30

Source: Butler County Auditor

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Madison Local School District

2003	2004	2005	2006	2007	2008
135,727,270	138,782,920	156,476,660	160,894,650	159,200,760	163,827,970
387,792,200	396,522,629	447,076,171	459,699,000	454,859,314	468,079,914
4,005,930	4,015,530	3,897,370	3,790,760	3,353,120	3,464,173
4,005,930	4,015,530	3,897,370	3,790,760	3,353,120	3,464,173
4,753,953	3,470,054	3,203,868	2,563,101	1,833,998	0
19,015,812	13,880,216	12,815,472	13,854,600	14,671,984	0
144,487,153	146,268,504	163,577,898	167,248,511	164,387,878	167,292,143
410,813,942	414,418,375	463,789,013	477,344,360	472,884,418	471,544,087
35.17%	35.29%	35.27%	35.04%	34.76%	35.48%
\$29.15	\$29.10	\$29.00	\$36.54	\$36.04	\$36.35

Madison Local School District

*Property Tax Rates of Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Calendar Years*

	1999	2000	2001	2002
Direct District Rates				
General Fund	23.90	23.80	20.00	20.00
Permanent Improvement Fund	0.00	0.00	3.70	3.70
Bond Retirement Fund	5.50	5.95	6.30	5.60
Total	29.40	29.75	30.00	29.30
Overlapping Rates				
Madison Township	2.26	2.26	2.26	2.26
Butler Career & Technical School	1.93	1.93	1.93	1.93
Butler County	8.45	8.45	8.75	8.75
Total	42.04	42.39	42.94	42.24

Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

Source:

Butler County Auditor
Butler County Treasurer's Office

Madison Local School District

2003	2004	2005	2006	2007	2008
20.00	20.00	20.00	27.54	26.88	26.85
3.70	3.70	3.70	3.70	3.70	3.70
5.45	5.40	5.30	5.30	5.46	5.80
29.15	29.10	29.00	36.54	36.04	36.35
2.26	2.26	2.26	2.26	2.26	2.26
1.93	1.93	1.93	1.93	1.93	1.93
8.74	8.74	8.74	9.44	10.45	9.75
42.08	42.03	41.93	50.17	50.68	50.29



Madison Local School District

*Principal Taxpayers
Property Taxes
Current Year and Nine Years Ago*

		Calendar Year 2008		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Duke Energy	Electric Utility	\$2,609,690	1	1.56%
Sun Pool 12 LLC	Pool Servicing	2,596,820	2	1.55%
Browns Run Country Club	Golf Course	849,770	3	0.51%
BOA Properties LLC	Real Estate	819,160	4	0.49%
Butler Rural Electric	Electric Utility	466,230	5	0.28%
Lewis Consolidated Agencies	Real Estate Investments	387,630	6	0.23%
Miller, Carl	Resident	333,900	7	0.20%
Smith, Cheryl A TR	Resident	315,680	8	0.19%
Cobb, Lisa A TR	Resident	307,420	9	0.18%
CSX Transportation Inc.	Rail Transport	264,840	10	0.16%
Subtotal		<u>8,951,140</u>		<u>5.35%</u>
All Others		<u>158,341,003</u>		<u>94.65%</u>
Total		<u><u>\$167,292,143</u></u>		<u><u>100.00%</u></u>

		Calendar Year 1999		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Cincinnati Gas & Electric	Electric Utility	\$3,814,130	1	3.33%
Sun Companies	Real Estate Management	2,271,340	2	1.99%
Ohio Bell Telephone Company	Communications Utility	1,282,870	3	1.12%
Score Automotive	Retail	824,810	4	0.72%
Browns Run Country Club	Golf Course	738,930	5	0.65%
Riverwood International	Paper Products	440,840	6	0.39%
CSX Transportation, Inc.	Rail Transport	326,220	7	0.29%
TCI Cablevision	Cable Television Utility	305,980	8	0.27%
Butler Rural Electric	Electric Utility	302,090	9	0.26%
Owens Illinois Closure	Container Products	299,420	10	0.26%
Subtotal		<u>10,606,630</u>		<u>9.28%</u>
All Others		<u>103,775,664</u>		<u>90.72%</u>
Total		<u><u>\$114,382,294</u></u>		<u><u>100.00%</u></u>

Source: Butler County Auditor - Land and Buildings
Based on valuation of property in 2008 and 1999

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Madison Local School District

*Property Tax Levies and Collections
Last Ten Years*

Collection Year	<u>1999</u>	<u>2000</u>	<u>2001</u>
Total Tax Levy (1)	\$2,525,775	\$2,997,427	\$3,293,610
Collections within the Fiscal Year of the Levy			
Current Tax Collections (2)	2,302,754	2,705,412	3,138,061
Percent of Levy Collected	91.17%	90.26%	95.28%
Delinquent Tax Collections	<u>50,914</u>	<u>124,002</u>	<u>44,903</u>
Total Tax Collections	2,353,668	2,829,414	3,182,964
Percent of Total Tax Collections To Tax Levy	93.19%	94.39%	96.64%
Accumulated Outstanding Delinquent Taxes (3)	N/A	N/A	N/A
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	N/A	N/A	N/A

(1) Taxes levied and collected are presented on a cash basis.

(2) State reimbursements of rollback and homestead exemptions are included;

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Source: Butler County Auditor's Office

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Madison Local School District

2002	2003	2004	2005	2006	2007	2008
\$3,413,314	\$4,171,685	\$4,239,759	\$4,400,325	\$5,997,696	\$6,011,108	\$5,944,248
3,376,296	3,879,515	3,925,563	3,965,240	5,612,034	5,569,605	5,570,253
98.92%	93.00%	92.59%	90.11%	93.57%	92.66%	93.71%
39,091	142,566	231,019	218,120	310,340	285,955	331,695
3,415,387	4,022,081	4,156,582	4,183,360	5,922,374	5,855,560	5,901,948
100.06%	96.41%	98.04%	95.07%	98.74%	97.41%	99.29%
N/A	N/A	375,347	592,312	667,634	823,182	865,482
N/A	N/A	8.85%	13.46%	11.13%	13.69%	14.56%

Madison Local School District

Ratio of Outstanding Debt By Type Last Ten Years

	2000	2001	2002	2003
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$10,000,000	\$12,769,937	\$12,754,937	\$12,684,937
Installment Loan	494,572	425,100	351,211	271,647
Capital Leases	0	0	447,203	412,593
Total Primary Government	<u>\$10,494,572</u>	<u>\$13,195,037</u>	<u>\$13,553,351</u>	<u>\$13,369,177</u>
Population ⁽²⁾				
Madison Township	8,707	8,810	9,076	9,391
Outstanding Debt Per Capita	\$1,205	\$1,498	\$1,493	\$1,424
Income ⁽³⁾				
Personal (in thousands)	245,398	254,371	265,682	281,861
Percentage of Personal Income	4.28%	5.19%	5.10%	4.74%

Sources:

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
2007 is the latest data available.

Madison Local School District

2004	2005	2006	2007	2008	2009
\$12,574,937	\$12,454,937	\$12,324,937	\$12,303,786	\$11,935,756	\$11,547,723
188,045	100,201	7,900	0	0	0
567,681	493,076	414,684	332,309	3,426,745	3,296,596
<u>\$13,330,663</u>	<u>\$13,048,214</u>	<u>\$12,747,521</u>	<u>\$12,636,095</u>	<u>\$15,362,501</u>	<u>\$14,844,319</u>

9,609	9,561	9,842	10,025	10,025	10,025
\$1,387	\$1,365	\$1,295	\$1,260	\$1,532	\$1,481

301,069	305,187	322,001	339,326	339,326	N/A
4.43%	4.28%	3.96%	3.72%	4.53%	N/A

Madison Local School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	1999	2000	2001	2002
Population (1)	8,611	8,707	8,810	9,076
Assessed Value (2)	\$100,899,726	\$114,382,294	\$117,272,580	\$118,961,075
General Bonded Debt (3)				
General Obligation Bonds	\$0	\$10,000,000	\$12,769,937	\$12,754,937
Resources Available to Pay Principal (4)	\$8,101	\$13,168	\$37,168	\$82,614
Net General Bonded Debt	(\$8,101)	9,986,832	12,732,769	12,672,323
Ratio of Net Bonded Debt to Estimated Actual Value	(0.01%)	8.73%	10.86%	10.65%
Net Bonded Debt per Capita	(1)	1,147	1,445	1,396

Source:

- (1) U.S. Bureau of Census of Population
- (2) Butler County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

Madison Local School District

2003	2004	2005	2006	2007	2008
9,391	9,609	9,561	9,842	10,025	10,025
\$141,521,564	\$144,487,153	\$146,268,504	\$163,577,898	\$167,248,511	\$164,387,878
\$12,684,937	\$12,574,937	\$12,454,937	\$12,324,937	\$12,303,786	\$11,935,756
\$193,112	\$129,700	\$146,771	\$173,307	\$303,583	\$549,061
12,491,825	12,445,237	12,308,166	12,151,630	12,000,203	11,386,695
8.83%	8.61%	8.41%	7.43%	7.18%	6.93%
1,330	1,295	1,287	1,235	1,197	1,136



Madison Local School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2009*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Madison Local School District	Amount Applicable to Madison Local School District
Direct:			
Madison Local School District	\$11,547,723	100.00%	\$11,547,723
Overlapping:			
Butler County	63,128,601	2.10%	1,325,701
		Subtotal	1,325,701
		Total	\$12,873,424

Source: Butler County Auditor

Madison Local School District

*Debt Limitations
Last Ten Years*

	1999	2000	2001	2002
Net Assessed Valuation	\$117,272,580	\$118,961,075	\$141,521,564	\$118,961,075
Overall Direct Debt Limitation				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	10,554,532	10,706,497	12,736,941	10,706,497
Applicable District Debt Outstanding	0	10,000,000	12,769,937	12,754,937
Less: Applicable Debt Service Fund Amounts (2)	(8,101)	(13,168)	(37,168)	(82,614)
Net Indebtedness Subject to Limitation	(8,101)	9,986,832	12,732,769	12,672,323
Overall Legal Debt Margin	<u>\$10,562,633</u>	<u>\$719,665</u>	<u>\$4,172</u>	<u>(\$1,965,826)</u>
Unvoted Direct Debt Limitation				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	117,273	118,961	141,522	118,961
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$117,273</u>	<u>\$118,961</u>	<u>\$141,522</u>	<u>\$118,961</u>
Energy Conservation Bond Limitation				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	1,055,453	1,070,650	1,273,694	1,070,650
Authorized by the Board	(560,014)	(494,572)	(425,100)	(351,211)
Unvoted Energy Conservation Bond Legal Debt Margin	<u>\$495,439</u>	<u>\$576,078</u>	<u>\$848,594</u>	<u>\$719,439</u>

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

Madison Local School District

2003	2004	2005	2006	2007	2008
\$141,521,564	\$144,487,153	\$146,268,504	\$163,577,898	\$167,248,511	\$164,387,878
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
12,736,941	13,003,844	13,164,165	14,722,011	15,052,366	14,794,909
12,684,937	12,574,937	12,454,937	12,324,937	12,303,786	11,935,756
(193,112)	(129,700)	(146,771)	(173,307)	(303,583)	(549,061)
12,491,825	12,445,237	12,308,166	12,151,630	12,000,203	11,386,695
<u>\$245,116</u>	<u>\$558,607</u>	<u>\$855,999</u>	<u>\$2,570,381</u>	<u>\$3,052,163</u>	<u>\$3,408,214</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
141,522	144,487	146,269	163,578	167,249	164,388
0	0	0	0	0	0
<u>\$141,522</u>	<u>\$144,487</u>	<u>\$146,269</u>	<u>\$163,578</u>	<u>\$167,249</u>	<u>\$164,388</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
1,273,694	1,300,384	1,316,417	1,472,201	1,505,237	1,479,491
(271,647)	(188,045)	(100,201)	(7,900)	0	0
<u>\$1,002,047</u>	<u>\$1,112,339</u>	<u>\$1,216,216</u>	<u>\$1,464,301</u>	<u>\$1,505,237</u>	<u>\$1,479,491</u>

Madison Local School District

Demographic and Economic Statistics Last Ten Years

Calendar Year	1999	2000	2001	2002
Population (1)				
Madison Township	8,611	8,707	8,810	9,076
Butler County	332,807	333,683	336,553	338,891
Income (2) (a)				
Total Personal (in thousands)	\$232,161	\$245,398	\$254,371	\$265,682
Per Capita	\$26,961	\$28,184	\$28,873	\$29,273
Unemployment Rate (3)				
Federal	4.2%	4.0%	4.7%	5.8%
State	4.2%	4.0%	4.2%	5.5%
Butler County	3.3%	3.0%	3.3%	4.3%
School Enrollment (4)				
Fiscal Year	2000	2001	2002	2003
Pre-K	N/A	N/A	6	4
Grades K - 5	N/A	N/A	668	692
Grades 6 - 8	N/A	N/A	370	376
Grades 9 - 12	N/A	N/A	484	502
Non-Grade	N/A	N/A	2	2
Total	<u>0</u>	<u>0</u>	<u>1,530</u>	<u>1,576</u>

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, (2008 not available) Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office (enrollment based on October headcount, including JVS, OE, etc.)

Madison Local School District

2003	2004	2005	2006	2007	2008
9,391	9,609	9,561	9,842	10,025	10,025
341,667	344,784	348,243	353,486	357,908	360,765
\$281,861	\$301,069	\$305,187	\$322,001	\$339,326	\$339,326
\$30,014	\$31,332	\$31,920	\$32,717	\$33,848	\$33,848
5.5%	5.5%	5.0%	4.6%	4.6%	5.8%
5.5%	6.0%	5.9%	5.4%	5.6%	6.6%
4.0%	4.3%	5.4%	5.6%	5.1%	5.9%
2004	2005	2006	2007	2008	2009
1	8	10	8	59	80
717	690	684	681	696	668
374	386	364	375	352	367
492	491	504	489	519	501
6	4	2	4	3	5
1,590	1,579	1,564	1,557	1,629	1,621



Madison Local School District

Principal Employers In Butler County Ohio

Employer	Nature of Business	2008	
		Number of Employees	Rank
Miami University	Post Secondary Education	4,250	1
AK Steel	Steel Manufacturer	3,100	2
Cincinnati Financial Corp.	Insurance	2,900	3
Butler County Government	County Government	2,000	4
Lakota School District	PK-12 Public Education	1,969	5
Middletown Regional Hospital	Healthcare	1,800	6
BEA Systems	Software	1,726	7
GE Aviation	Aircraft & Marine Engines	1,400	8
Ohio Casualty Insurance Co.	Insurance	1,340	9
Ft. Hamilton Hospital	Healthcare Facilities	1,250	10

Source: Butler County

Note: Total employment within the School District is not available.

Data for prior years is not available.

Madison Local School District

*School District Employees by Type
Last Ten Years*

	1999	2000	2001	2002	2003
Supervisory					
Noninstructional Administrators	3.00	3.00	3.00	5.00	4.00
Consultants/Supervisors of Instruction	1.00	1.00	1.00	1.00	1.00
Principals	3.00	2.00	3.00	2.00	1.00
Assistant Principals	1.00	2.00	2.00	2.00	2.00
Instruction					
Classroom Teachers					
Elementary	59.00	56.50	62.00	42.50	42.50
Junior/Senior High	27.00	33.50	26.00	42.00	44.50
Student Services					
Guidance Counselors	5.00	4.00	4.00	4.00	4.00
Psychologists	1.00	1.00	1.00	1.00	1.00
Librarians	1.00	1.00	1.00	1.00	1.00
Therapists	1.00	1.00	1.00	1.00	1.00
Other Professionals (noninstructional)	1.00	1.00	1.00	1.00	0.00
Support Services					
Clerical/Secretaries	13.00	12.00	11.00	11.00	11.50
Tutors/Aides	9.75	10.00	16.00	19.00	14.00
Food Service	20.75	18.50	20.00	20.00	15.50
Maintenance/Grounds	12.00	9.00	11.00	11.00	11.00
Transportation	14.00	13.00	12.00	11.00	10.00
<i>Total Employees</i>	<u>172.50</u>	<u>168.50</u>	<u>175.00</u>	<u>174.50</u>	<u>164.00</u>

Method: 1.00 for each contracted, regular employee working 6 or more hours per day (hours vary by position).

Source: District Treasurer's Office - EMIS Reporting System

Madison Local School District

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	3.00
1.00	1.00	2.00	2.00	2.00
47.00	49.75	46.83	45.50	40.50
43.50	49.17	44.17	42.50	47.30
5.00	5.00	5.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
12.50	12.00	11.50	12.50	11.00
16.33	14.83	14.50	14.50	16.50
15.50	13.00	10.50	10.50	9.75
14.00	11.00	13.00	13.00	12.00
14.00	7.50	0.00	0.00	0.00
<u>179.83</u>	<u>174.25</u>	<u>158.50</u>	<u>155.50</u>	<u>155.05</u>

Madison Local School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

Fiscal Year	2000	2001	2002	2003	2004
Enrollment	N/A	N/A	1,530	1,576	1,590
Modified Accrual Basis					
Operating Expenditures	22,790,364	18,410,488	12,136,351	12,400,002	\$12,957,671
Cost per Pupil	N/A	N/A	7,932	7,868	8,149
Percentage of Change	N/A	N/A	N/A	(0.8%)	3.6%
Accrual Basis					
Expenses	N/A	N/A	N/A	N/A	\$12,525,870
Cost per Pupil	N/A	N/A	N/A	N/A	N/A
Percentage of Change	N/A	N/A	N/A	N/A	N/A
Teaching Staff	90.0	88.0	84.5	87.0	90.5
Pupil to Teacher Ratio					
Madison Local	N/A	N/A	18.1	18.1	17.6
State Average	18.1	18.0	16.9	16.9	18.5

Source: District Treasurer's Office and Ohio Department of Education

Madison Local School District

2005	2006	2007	2008	2009
1,579	1,564	1,557	1,629	1,621
\$13,342,332	\$13,488,576	\$14,411,196	\$15,623,833	\$18,114,875
8,450	8,624	9,256	9,591	11,175
3.7%	2.1%	7.3%	3.6%	16.5%
\$12,722,012	\$12,906,315	\$13,899,017	\$14,633,425	\$14,768,723
8,057	8,252	8,927	8,983	9,111
N/A	2.4%	8.2%	0.6%	1.4%
98.9	91.0	88.0	87.8	91.8
16.0	17.2	17.7	18.6	17.7
18.5	18.6	19.6	18.6	N/A

Madison Local School District

Operating Indicators by Function Last Ten Years

	2000	2001	2002	2003
Governmental Activities				
Pupils				
Enrollment (Headcount)	N/A	N/A	1,530	1,576
Graduates	111	89	91	108
Percent of Students with Disabilities	11.8%	14.1%	12.9%	13.2%
Administration				
School Attendance Rate	93.90%	94.70%	95.10%	94.60%
Fiscal Services				
Purchase Orders Processed	3,376	3,109	3,134	3,128
Checks Issued (non payroll)	3,315	3,150	3,165	3,072
Operation and Maintenance of Plant				
District Square Footage Maintained	229,293	229,293	229,293	229,293
District Square Acreage Maintained	63	63	63	63
Pupil Transportation				
Average Daily Students Transported	NA	NA	NA	1,340
Average Daily Bus Fleet Miles	NA	NA	NA	922
Number of Assigned Buses	NA	NA	NA	15
Operation of Noninstructional Services				
Food Service				
Students Meals Served Daily	124,474	128,480	113,482	109,731
Free/Reduced Price Meals Daily	28,309	26,166	30,849	40,233
Extracurricular Activities				
High School Varsity Teams	16	16	16	16

Sources: Ohio Dept. of Education, District Treasurer's Office

Notes: Headcount represents all resident students, plus open enrollment, students attending JVS and community schools.

Madison Local School District

2004	2005	2006	2007	2008	2009
1,590	1,579	1,564	1,557	1,629	1,621
104	88	120	108	101	113
12.8%	12.4%	12.0%	12.7%	11.4%	11.8%
94.50%	94.30%	94.30%	94.30%	94.90%	94.80%
3,087	2,779	2,797	2,983	2,537	2,415
3,129	2,851	2,610	2,988	2,756	2,799
229,293	229,293	229,293	229,293	229,293	229,293
63	63	63	63	63	63
1,529	1,471	1,130	906	897	932
1,085	1,323	956	890	1,102	1,121
14	14	13	13	13	15
113,849	111,505	104,837	102,621	132,228	131,672
48,632	50,237	52,916	67,057	61,410	68,038
16	16	16	16	16	16

Madison Local School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	2000	2001	2002	2003	2004
Minimum Salary	\$24,211	24,937	25,810	26,842	27,916
Maximum Salary	\$47,393	50,086	51,839	53,912	56,069
District Average Salary	\$34,213	34,937	37,133	38,908	40,953
Comparable District Average Salary	NA	NA	41,443	42,679	43,731
State Average Salary	\$41,713	42,892	44,266	45,515	47,495

Source: District Treasurer's Office and Ohio Department of Education

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	2000	2001	2002	2003	2004
Bachelor's Degree	61.0	58.0	53.0	46.5	51.5
Master's Degree	29.0	30.0	31.5	40.5	39.0
Total	90.0	88.0	84.5	87.0	90.5

Source: District Treasurer's Office

Madison Local School District

2005	2006	2007	2008	2009
29,033	29,614	30,206	30,810	31,426
58,312	59,479	60,669	61,882	63,120
38,889	42,653	44,347	46,714	47,606
45,452	45,631	47,516	48,492	NA
49,342	51,346	52,596	54,210	54,656

2005	2006	2007	2008	2009
51.2	43.0	39.5	42.0	42.2
47.8	48.0	48.5	45.8	49.6
98.9	91.0	88.0	87.8	91.8

Madison Local School District

Capital Asset Statistics by Building Last Ten Years

	2000	2001	2002	2003
Secondary				
Madison Junior & Senior High School				
Square Footage	120,974	120,974	120,974	120,974
Capacity (students)	795	795	795	795
Enrollment (Headcount)	N/A	N/A	752	746
Elementary				
Madison Intermediate Elementary School				
Square Footage	62,970	62,970	62,970	62,970
Capacity (students)	525	525	525	525
Enrollment (headcount)	N/A	N/A	457	479
Madison Primary Elementary School				
Square Footage	42,349	42,349	42,349	42,349
Capacity (students)	400	400	400	400
Enrollment (headcount-incl. Pre-K)	N/A	N/A	323	351
All Other				
Central Administration Building				
Square Footage	3,000	3,000	3,000	3,000

Source: District Treasurer's Office

Note: Capacity = classrooms (homerooms) x 25

Madison Local School District

2004	2005	2006	2007	2008
120,974	120,974	120,974	120,974	120,974
795	795	795	795	795
759	739	762	747	770
62,970	62,970	62,970	62,970	62,970
525	525	525	525	525
480	437	440	455	467
42,349	42,349	42,349	42,349	42,349
400	400	400	400	400
351	379	362	364	392
3,000	3,000	3,000	3,000	3,000

Madison Local School District

Educational and Operating Statistics Last Ten Years

	2000	2001	2002	2003	2004
ACT Scores (Average)					
Madison	21.5	21.6	20.1	20.0	21.1
Ohio	21.4	21.4	21.4	21.4	21.4
National	21.0	21.0	20.8	20.8	20.9
Cost per Student (ODE) ⁽¹⁾					
Madison	6,246	6,347	6,812	7,015	7,568
Ohio (Average)	7,057	7,602	8,073	8,441	8,768
Cost to Educate a Graduate					
Madison	N/A	N/A	N/A	N/A	N/A
Ohio (Average)	67,621	71,601	75,655	79,747	84,129
Attendance Rate					
Madison	93.90%	94.70%	95.10%	94.60%	94.50%
Ohio (Average)	97.20%	94.70%	95.00%	94.90%	95.30%
Graduation Rate					
Madison	76.40%	79.10%	83.60%	93.30%	95.10%
Ohio (Average) ⁽²⁾	80.70%	81.20%	82.80%	83.90%	84.30%

Source:

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports.

(2) ODE reports the previous year's graduation rate in their current year State Report Card.

Madison Local School District

2005	2006	2007	2008	2009
20.7	20.3	21.0	21.6	20.3
21.1	21.5	21.6	21.7	21.7
20.6	21.1	21.2	21.1	21.3
7,755	8,087	8,328	8,379	N/A
9,028	9,356	9,586	9,939	10,184
N/A	N/A	84,230	88,090	N/A
88,133	89,779	99,365	109,945	110,543
94.30%	94.50%	94.30%	94.90%	94.80%
95.20%	94.10%	94.10%	94.20%	94.30%
93.50%	93.10%	95.10%	94.20%	94.20%
85.90%	86.20%	86.90%	86.90%	84.60%



**MADISON LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO**

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**MADISON LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO**

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**MADISON LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U. S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
National School Lunch Program - Food Distribution	N/A	10.555	\$ -	\$ 27,494	\$ -	\$ 27,073
School Breakfast Program	05429-05PU-2009	10.553	29,771	-	29,771	-
National School Lunch Program	05429-LLP4-2009	10.555	149,214	-	149,214	-
Total U.S. Department of Agriculture - Nutrition Cluster			178,985	27,494	178,985	27,073
U. S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	05429-C1S1-2008	84.010	27,181	-	24,506	-
Title I Grants to Local Educational Agencies	05429-C1S1-2009	84.010	181,969	-	170,062	-
Total Title I Grants to Local Education Agencies			209,150	-	194,568	-
Special Education Cluster:						
Special Education - Grants to States	05429-6BSF-2008	84.027	41,896	-	52,592	-
Special Education - Grants to States	05429-6BSF-2009	84.027	254,062	-	233,542	-
Total Special Education - Grants To States			295,958	-	286,134	-
Special Education - Preschool Grant	05429-PGS1-2008	84.173	1,815	-	-	-
Special Education - Preschool Grant	05429-PGS1-2009	84.173	2,287	-	2,271	-
Total Special Education - Preschool Grants			4,102	-	2,271	-
Total Special Education Cluster			300,060	-	288,405	-
Safe and Drug-Free Schools and Communities - State Grants	05429-DRS1-2008	84.186	1,453	-	-	-
Safe and Drug-Free Schools and Communities - State Grants	05429-DRS1-2009	84.186	2,585	-	2,361	-
Total Safe and Drug-Free Schools and Communities - State Grants			4,038	-	2,361	-
State Grants for Innovative Programs	05429-C2S1-2008	84.298	1,253	-	66	-
State Grants for Innovative Programs	05429-C2S1-2009	84.298	1,060	-	1,060	-
Total State Grants for Innovative Programs			2,313	-	1,126	-
Education Technology - State Grants	05429-TJS1-2008	84.318	1,733	-	1,600	-
Education Technology - State Grants	05429-TJS1-2009	84.318	1,922	-	1,983	-
Total Education Technology - State Grants			3,655	-	3,583	-
Improving Teacher Quality - State Grants	05429-TRS1-2008	84.367	6,460	-	8,472	-
Improving Teacher Quality - State Grants	05429-TRS1-2009	84.367	59,211	-	52,402	-
Total Improving Teacher Quality - State Grants			65,671	-	60,874	-
Total U.S. Department of Education			584,887	-	550,917	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 763,872	\$ 27,494	\$ 729,902	\$ 27,073

The accompanying notes are an integral part of this schedule.

**MADISON LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards summarizes activity of the District's federal award programs and has been prepared on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

NOTE C – CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with state grants. It is assumed federal monies are expended first.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-federal funds (matching funds) to support the federally-funded programs. The District has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

Bastin & Company, LLC
Certified Public Accountants

**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***

To the Board of Education
Madison Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Local School District, Butler County, Ohio, (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 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 generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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 deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
December 18, 2009

Bastin & Company, LLC

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Madison Local School District:

Compliance

We have audited the compliance of the Madison Local School District, Butler County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not include all management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Madison Local School District as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
December 18, 2009

**MADISON LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB Circular A-133 § .505**

FOR THE YEAR ENDED JUNE 30, 2009

SUMMARY OF AUDITORS' RESULTS

Type of financial statement opinion	Unqualified
Were there any material control weaknesses reported at the financial statement level?	No
Were there any other significant deficiencies in internal control reported at the financial statement level?	No
Was there any reported material noncompliance reported at the financial statement level?	No
Were there any material internal control weakness reported for major Federal programs?	No
Were there any other significant deficiencies in internal control reported for major Federal programs?	No
Type of major programs' compliance opinion	Unqualified
Are there any reportable findings?	No
Major programs	Child Nutrition Cluster: CFDA 10.553 and 10.555
Dollar threshold to distinguish between Type A/B programs	Type A: > \$300,000 Type B: all other programs
Low risk auditee?	Yes

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**MADISON LOCAL SCHOOL DISTRICT
BUTLER COUNTY, OHIO
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

There were no findings reported in the prior audit report.

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Education
Madison Local School District:

Ohio Revised Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Madison Local School District (the District) has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy on May 22, 2000 and was revised on October 15, 2001 and March 20, 2006.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

- (6) A procedure for documenting any prohibited incident that is reported;
 - (7) A procedure for responding to and investigating any reported incident;
 - (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
 - (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
3. We read the policy and noted that it did not include the following requirements from Ohio Revised Code Section 3313.666(B):
- (1) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
December 18, 2009



Mary Taylor, CPA
Auditor of State

**MADISON LOCAL SCHOOL DISTRICT
BUTLER 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
MARCH 16, 2010**