

Madison Plains Local School District

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Basic Financial Statements

June 30, 2010



Dave Yost • Auditor of State

Board of Education
Madison Plains Local School District
55 Linson Road SW
London, Ohio 43140-9751

We have reviewed the *Independent Auditor's Report* of the Madison Plains Local School District, Madison County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2009 through June 30, 2010. 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 Plains Local School District is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

March 4, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Madison-Plains 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-Plains Local School District (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements. 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 District, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable thereof and the 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 30, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 30, 2010

Madison Plains Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

The discussion and analysis of the Madison Plains Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for 2010 are as follows:

- ❑ General Revenues accounted for \$15.9 million in revenue or 86% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions accounted for approximately \$2.6 million or 14% of total revenues of \$18.5 million.
- ❑ Total program expenses were \$14.9 million in Governmental Activities.
- ❑ In total, net assets of Governmental Activities increased \$3,545,635 from 2009.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Madison Plains Local School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2010?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include *all assets* and *liabilities* excluding fiduciary funds using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Madison Plains Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

These two statements report the School District's *net assets* and *changes in those assets*. This change in net assets is important because it tells the reader that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District activities are listed as Governmental:

- Governmental Activities – All of the School District's programs and services are reported here, including instruction, support services, food service operation, extracurricular activities and interest and fiscal charges.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and permanent improvement fund.

Governmental Funds - Most of the School 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 School District's general government operations and the basic services it provides. Governmental fund information helps 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 Plains Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2010 compared to 2009:

(Table 1)
Net Assets

	Governmental Activities	
	2010	Restated 2009
Assets		
Current and Other Assets	\$ 17,905,099	\$ 14,094,926
Capital Assets	4,059,540	4,025,452
Total Assets	21,964,639	18,120,378
Liabilities		
Long-Term Liabilities	905,871	955,192
Other Liabilities	5,994,252	5,646,305
Total Liabilities	6,900,123	6,601,497
Net Assets		
Invested in Capital Assets	4,059,540	4,025,452
Restricted	2,366,490	1,130,864
Unrestricted (Deficit)	8,638,486	6,362,565
Total Net Assets	\$ 15,064,516	\$ 11,518,881

Total net assets increased by \$3,545,635. Total assets increased \$3,844,261, which was the result of an increase in cash at year end and property tax receivable reported. Overall cash balances increased due to an increase in property tax revenues while maintaining operation costs comparable to the prior year. Taxes receivable increased due to an increase in assessed values. Total liabilities increased \$298,626, which was mainly attributable to more deferred tax revenue.

Madison Plains Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

Table 2 shows the changes in net assets for fiscal year 2010. This will enable the reader to draw further conclusion about the School District's financial status and possibly project future problems.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2010	Restated 2009
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 1,464,094	\$ 1,347,076
Operating Grants and Contributions	1,063,050	795,057
Capital Grants	54,745	24,357
<i>General Revenue:</i>		
Property Taxes	8,799,091	6,137,570
Grants and Entitlements	6,975,116	6,116,344
Payment in Lieu of Taxes	10,574	5,991
Other	126,889	1,245,872
Total Revenues	18,493,559	15,672,267
Program Expenses		
Instruction	8,608,250	7,981,030
Support Services	5,161,335	5,281,857
Food Service	673,245	681,194
Extracurricular Activities	495,829	452,212
Interest and Fiscal Charges	9,265	9,652
Total Expenses	14,947,924	14,405,945
Change in Net Assets	3,545,635	1,266,322
Net Assets Beginning of Year	11,518,881	10,252,559
Net Assets End of Year	\$ 15,064,516	\$ 11,518,881

Overall revenue increased approximately \$2,821,292 over fiscal year 2009, primarily from increased taxes related to an increase in assessed values and the receipt of a large tax advance from the County in June 2010. Program expenses increased from \$14.4 million in 2009 to \$14.9 million in 2010. The increase in total program expenses reflects increases in salaries, fringe benefits (health insurance and retirement), fiscal, extracurricular activities and other expenses.

The majority of revenues supporting governmental activities are general revenues. General revenues totaled \$15,911,670, or 86 % of total revenue, which the most significant portion of the general revenue being local property taxes. The remaining amount of revenue received was in the form of program revenue which equaled \$2,581,889 or 14% of total revenue.

Instructional expenses comprise 58% of governmental program expenses. Additional supporting services, including program expenses of pupils, instructional staff and operation and maintenance of plant,

Madison Plains Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

encompassed an additional 39%. The remaining 3% of program expenses is used for other obligations of the School District such as extracurricular activities.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. All governmental activity had total revenues of \$18.5 million and expenses of \$14.9 million.

(Table 3)
Governmental Activities

	2010		Restated 2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 8,608,250	\$ 7,191,848	\$ 7,981,030	\$ 6,652,815
Support Services:				
Pupils and Instructional Staff	1,005,500	930,219	979,066	957,000
Board of Education, Administration				
Fiscal and Business	2,076,555	1,930,685	2,038,899	2,033,899
Operation and Maintenance of Plant	938,777	884,032	997,507	997,507
Pupil Transportation and Central	1,140,503	1,113,315	1,266,385	1,217,889
Food Service	673,245	25,856	681,194	69,471
Extracurricular Activities	495,829	280,815	452,212	301,222
Interest Charges	9,265	9,265	9,652	9,652
Total	\$ 14,947,924	\$ 12,366,035	\$ 14,405,945	\$ 12,239,455

Instruction, pupils and instructional staff comprise 64% of governmental program expenses. Pupil transportation and the operation and maintenance of plant account for 13% of governmental program expenses.

The dependence upon tax revenues for governmental activities is apparent. The community, as a whole, is by far the primary support for Madison Plains Local School District students.

The School District's Funds

Information about the School District's major funds starts on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of approximately \$18.3 million and expenditures of approximately \$15.0 million in fiscal year 2010. The permanent improvement fund was deemed a major fund in 2010, with a fund balance of \$1,703,041. The general fund balance increased \$2,736,243 primarily from increased taxes related to an increase in assessed values and the receipt of a large tax advance from the County in June 2010 while being able to maintain operating costs in line with the prior year.

Madison Plains Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

General Fund Budgeting Highlights

The School 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 2010, there were minor changes to the School District's total general fund budget. The School District uses site-based budgeting and the budgeting system which are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue and other financing sources was \$14.1 million, which is over the original budget estimate of \$13.7 million. Final appropriations and other financing uses of \$12.9 million were over the original appropriations of \$12.4 million, there were no individually significant events that caused this variance.

Total actual revenues, including other financing sources were \$14.3 million. This is \$227,216 higher than the final budget due to taxes and intergovernmental revenue being conservatively budgeted for during the year. Total actual expenditures, including other financing uses, on the budget basis (cash outlays plus transfers out) were \$12.8 million, \$91,568 less than the final expenditures and other financing uses. There were no individual significant events that caused this variance. The School District's unencumbered fund balance at the end of the year was \$8,756,870.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the School District had \$4.0 million invested in land, construction in progress, land improvements, building improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2010 balances compared with 2009 net of depreciation.

(Table 4)
Capital Assets at June 30
(Net of Depreciation)

	<u>2010</u>	<u>2009</u>
Land	\$ 820,481	\$ 820,481
Construction In Progress	34,655	0
Land Improvements	658,774	464,690
Buildings and Improvements	1,638,533	1,737,495
Furniture and Fixtures	171,684	203,043
Vehicles	<u>735,413</u>	<u>799,743</u>
Total Capital Assets	<u>\$ 4,059,540</u>	<u>\$ 4,025,452</u>

The \$34,088 increase in capital assets can be attributed, primarily to additions exceeding depreciation expenses and disposals. See Note 8 to the basic financial statements for detail on the School District's capital assets.

Madison Plains Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

Ohio law requires school districts to set aside 3% of certain revenues for capital improvements and an additional 3% for textbooks. For fiscal year 2010, this amounted to \$230,616 for each set aside. The School District did not have qualifying disbursements during the year that exceeded the textbook requirements. See Note 18 for additional information.

Debt

At June 30, 2010, the School District had \$190,000 in bonds outstanding with \$25,000 due within one year. Table 5 summarizes bonds outstanding.

(Table 5)
Outstanding Debt, at June 30

	Governmental Activities	
	2010	2009
General Obligation Bonds Payable:		
HB 264 Energy Conservation	\$ 190,000	\$ 215,000

HB 264 Energy Conservation Bonds were issued to reduce energy consumption in buildings owned by the School District. See Note 13 to the basic financial statements for detail on the School District's long-term obligations.

Current Issues

The School District has a good financial position. The Board of Education and administration closely monitor the District's revenues and expenditures in accordance with its financial forecast and the District's Improvement plan. The administration continues to carefully plan its expenditures to provide adequate resources to meet student needs over the next several years.

The School District has settled negotiations with both the Madison Plains Education Association and the Ohio Association of Public School Employees. We have secured wage agreements through June 30, 2012. The agreements fall within the five year forecast and will help the School District maintain its financial position.

The School District is currently trying to pass a bond issue to build a new K-12 facility through the Ohio School Facilities Commission (OSFC) Exceptional Needs Program. OSFC would pay for 36% of the project cost.

The School District will have a renewal issue on the November 2010 ballot. The issue will be a renewal of an 8 mil, three year operating levy first passed in calendar year 2005.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Treasurer, at Madison Plains Local School District, 55 Linson Road SW, London, Ohio 43140.

Basic Financial Statements

Madison Plains Local School District

Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 10,340,265
Receivables:	
Taxes	7,363,567
Intergovernmental	201,267
Nondepreciable Capital Assets	855,136
Depreciable Capital Assets (Net)	<u>3,204,404</u>
 <i>Total Assets</i>	 <u>21,964,639</u>
 Liabilities	
Accounts Payable	56,030
Accrued Wages and Benefits	1,165,267
Intergovernmental Payable	384,670
Accrued Vacation Leave Payable	32,385
Accrued Interest Payable	679
Deferred Revenue	4,355,221
Long -Term Liabilities:	
Due Within One Year	101,052
Due in More Than One Year	<u>804,819</u>
 <i>Total Liabilities</i>	 <u>6,900,123</u>
 Net Assets	
Invested in Capital Assets	4,059,540
Restricted for:	
Debt	2,059
Capital Projects	1,719,952
Other Purposes	161,014
Set Asides	483,465
Unrestricted	<u>8,638,486</u>
 <i>Total Net Assets</i>	 <u><u>\$ 15,064,516</u></u>

Madison Plains Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Program Revenues				Net (Expense) Revenue and Changes Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 7,386,834	\$ 858,778	\$ 325,741	\$ 0	\$ (6,202,315)
Special	796,268	10,554	221,329	0	(564,385)
Vocational	425,148	0	0	0	(425,148)
Support Services:					
Pupils	420,498	0	100	0	(420,398)
Instructional Staff	585,002	23,127	52,054	0	(509,821)
Board of Education	64,329	0	0	0	(64,329)
Administration	1,429,883	0	145,870	0	(1,284,013)
Fiscal	579,234	0	0	0	(579,234)
Business	3,109	0	0	0	(3,109)
Operation and Maintenance of Plant	938,777	0	0	54,745	(884,032)
Pupil Transportation	975,839	10,756	0	0	(965,083)
Central	164,664	0	16,432	0	(148,232)
Food Service Operations	673,245	369,300	278,089	0	(25,856)
Extracurricular Activities	495,829	191,579	23,435	0	(280,815)
Interest and Fiscal Charges	9,265	0	0	0	(9,265)
<i>Total Governmental Activities</i>	<u>\$ 14,947,924</u>	<u>\$ 1,464,094</u>	<u>\$ 1,063,050</u>	<u>\$ 54,745</u>	<u>(12,366,035)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					8,095,261
Capital Projects					703,830
Grants and Entitlements not Restricted to Specific Programs					6,975,116
Investment Earnings					93,832
Payments in Lieu of Taxes					10,574
Miscellaneous					33,057
<i>Total General Revenues</i>					<u>15,911,670</u>
<i>Change in Net Assets</i>					3,545,635
<i>Net Assets Beginning of Year (Restated, See Note 19)</i>					<u>11,518,881</u>
<i>Net Assets End of Year</i>					<u>\$ 15,064,516</u>

Madison Plains Local School District
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General</u>	<u>Permanent Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 8,089,066	\$ 1,575,147	\$ 192,587	\$ 9,856,800
Restricted Pooled Cash and Cash Equivalents	483,465	0	0	483,465
Receivables:				
Taxes	7,018,009	345,558	0	7,363,567
Interfund	312,184	0	0	312,184
Intergovernmental	9,084	0	192,183	201,267
<i>Total Assets</i>	<u>\$ 15,911,808</u>	<u>\$ 1,920,705</u>	<u>\$ 384,770</u>	<u>\$ 18,217,283</u>
Liabilities				
Accounts Payable	\$ 52,270	\$ 0	\$ 3,760	\$ 56,030
Accrued Wages and Benefits	1,052,993	0	112,274	1,165,267
Interfund Payable	0	0	256,281	256,281
Intergovernmental Payable	346,574	0	38,096	384,670
Deferred Revenue	4,493,245	217,664	78,483	4,789,392
<i>Total Liabilities</i>	5,945,082	217,664	488,894	6,651,640
Fund Balances				
Reserved for Encumbrances	101,694	775	14,837	117,306
Reserved for Textbooks and Instructional Materials	196,271	0	0	196,271
Reserved for Property Tax Advances	2,533,848	127,894	0	2,661,742
Reserved for Capital Improvements	287,194	0	0	287,194
Unreserved:				
Designated for Contingencies	540,000	0	0	540,000
Undesignated, Reported in:				
General Fund	6,307,719	0	0	6,307,719
Special Revenue Funds	0	0	(121,021)	(121,021)
Debt Service Fund	0	0	2,060	2,060
Capital Projects Funds	0	1,574,372	0	1,574,372
<i>Total Fund Balances</i>	<u>9,966,726</u>	<u>1,703,041</u>	<u>(104,124)</u>	<u>11,565,643</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 15,911,808</u>	<u>\$ 1,920,705</u>	<u>\$ 384,770</u>	<u>\$ 18,217,283</u>

Madison Plains Local School District
*Reconciliation of Total Governmental Fund Balances to
Net Assets Governmental Activities*
June 30, 2010

Total Governmental Fund Balances	\$	11,565,643
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		4,059,540
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.		
Grants	\$ 78,483	
Excess Costs	9,084	
Delinquent Property Taxes	346,604	434,171
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		(190,000)
Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental funds.		
Compensated Absences	(687,871)	
Early Retirement Incentive	(28,000)	
Interest Payable	(679)	
Vacation Leave Payable	(32,385)	(748,935)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		(55,903)
 Net Assets of Governmental Activities	 \$	 <u><u>15,064,516</u></u>

Madison Plains Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	<u>General</u>	<u>Permanent Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 7,940,414	\$ 695,723	\$ 0	\$ 8,636,137
Intergovernmental	6,578,302	85,726	1,284,405	7,948,433
Investment Income	93,832	9,745	239	103,816
Tuition and Fees	873,243	0	35,862	909,105
Extracurricular Activities	385	0	191,579	191,964
Charges for Services	0	0	368,914	368,914
Payments in Lieu of Taxes	10,574	0	0	10,574
Gifts and Donations	0	45,000	17,111	62,111
Miscellaneous	8,576	0	29,143	37,719
<i>Total Revenues</i>	15,505,326	836,194	1,927,253	18,268,773
Expenditures				
Current:				
Instruction:				
Regular	6,724,615	0	403,172	7,127,787
Special	508,741	0	324,544	833,285
Vocational	413,860	0	0	413,860
Support Services:				
Pupils	382,391	0	46,037	428,428
Instructional Staff	418,966	0	158,350	577,316
Board of Education	64,329	0	0	64,329
Administration	1,305,007	198	112,844	1,418,049
Fiscal	469,017	7,955	110,112	587,084
Business	3,109	0	0	3,109
Operation and Maintenance of Plant	835,839	19,875	99,081	954,795
Pupil Transportation	900,166	0	6,415	906,581
Central	178,662	0	11,743	190,405
Food Service Operations	412	0	658,825	659,237
Extracurricular Activities	291,099	0	199,051	490,150
Capital Outlay	276,870	0	0	276,870
Debt Service:				
Principal Retirement	0	0	25,000	25,000
Interest and Fiscal Charges	0	0	8,586	8,586
<i>Total Expenditures</i>	12,773,083	28,028	2,163,760	14,964,871
<i>Excess of Revenues Over (Under) Expenditures</i>	2,732,243	808,166	(236,507)	3,303,902
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	4,000	0	0	4,000
<i>Total Other Financing Sources and (Uses)</i>	4,000	0	0	4,000
<i>Net Change in Fund Balance</i>	2,736,243	808,166	(236,507)	3,307,902
<i>Fund Balance at Beginning of Year</i>	7,230,483	894,875	132,383	8,257,741
<i>Fund Balance at End of Year</i>	<u>\$ 9,966,726</u>	<u>\$ 1,703,041</u>	<u>\$ (104,124)</u>	<u>\$ 11,565,643</u>

Madison Plains Local School District
*Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2010*

Net Change in Fund Balances - Total Governmental Funds	\$	3,307,902
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 additions exceeded depreciation in the current period.		
Capital Asset Additions	\$ 358,931	
Current Year Depreciation	<u>(273,580)</u>	85,351
Net effect of transactions involving the disposal of capital assets that are not reflected in the funds.		(51,263)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Grants	63,723	
Excess Costs	(5,890)	
Delinquent Property Taxes	<u>162,953</u>	220,786
Repayment of capital lease and bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bond Principal		25,000
Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental funds.		
Compensated Absences	38,320	
Early Retirement Incentive	(14,000)	
Interest Payable	(679)	
Vacation Leave Payable	<u>(10,394)</u>	13,247
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net revenue (expense) of internal service funds is reported with governmental activities.		<u>(55,388)</u>
Change in Net Assets of Governmental Activities	\$	<u>3,545,635</u>

Madison Plains Local School District
*Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5,606,738	\$ 6,511,920	\$ 6,734,020	\$ 222,100
Intergovernmental	6,168,875	6,555,144	6,555,144	0
Investment Income	165,188	88,724	93,832	5,108
Tuition and Fees	810,048	873,243	873,243	0
Rent	30	0	0	0
Extracurricular	600	385	385	0
Payments In Lieu of Taxes	5,991	10,574	10,574	0
Gifts and Donations	2,924	0	0	0
Miscellaneous	49,818	18,001	18,009	8
<i>Total Revenues</i>	12,810,212	14,057,991	14,285,207	227,216
Expenditures:				
Current:				
Instruction:				
Regular	5,906,034	6,617,043	6,685,852	(68,809)
Special	517,423	538,092	538,092	0
Vocational	460,608	403,873	403,754	119
Support Services:				
Pupils	373,781	379,667	378,229	1,438
Instructional Staff	439,961	419,065	419,190	(125)
Board of Education	22,066	82,833	64,068	18,765
Administration	1,199,579	1,313,487	1,309,810	3,677
Fiscal	527,589	518,750	514,486	4,264
Business	85	3,109	3,109	0
Operation and Maintenance of Plant	1,038,514	845,789	837,477	8,312
Pupil Transportation	1,290,339	992,696	879,543	113,153
Central	271,255	223,769	216,561	7,208
Operation of Non-Instructional Services	7,797	412	412	0
Extracurricular Activities	256,966	295,224	291,658	3,566
Capital Outlay	40,408	276,870	276,870	0
<i>Total Expenditures</i>	12,352,405	12,910,679	12,819,111	91,568
Excess of Revenues Over (Under) Expenditures	457,807	1,147,312	1,466,096	318,784
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	2,000	4,000	4,000	0
Refund of Prior Year Expenditures	850,669	13,725	13,725	0
Advances In	25,000	0	0	0
Transfers Out	(30,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	847,669	17,725	17,725	0
<i>Net Change in Fund Balance</i>	1,305,476	1,165,037	1,483,821	318,784
<i>Fund Balance at Beginning of Year</i>	7,192,742	7,192,742	7,192,742	0
Prior Year Encumbrances Appropriated	80,307	80,307	80,307	0
<i>Fund Balance at End of Year</i>	\$ 8,578,525	\$ 8,438,086	\$ 8,756,870	\$ 318,784

Madison Plains Local School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2010

	Governmental Activities Internal Service Fund
Assets	<u>\$ 0</u>
Liabilities	
Interfund Payable	<u>55,903</u>
Net Assets	
Unrestricted	<u>\$ (55,903)</u>

Madison Plains Local School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2010

	Governmental Activities Internal Service Fund
Operating Expenses	
Purchased Services	55,388
<i>Change in Net Assets</i>	<i>(55,388)</i>
<i>Net Assets Beginning of Year</i>	<i>(515)</i>
<i>Net Assets End of Year</i>	\$ <i>(55,903)</i>

Madison Plains Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2010

	Governmental Activities Internal Service Fund
<hr/>	
Cash Flows From Operating Activities	
Cash Paid for Goods and Services	\$ (55,388)
Cash Paid for Claims	(9,648)
	<hr/>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<i>(65,036)</i>
	<hr/>
Cash Flows From Non-Capital Financing	
Advance In	55,903
	<hr/>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<i>(9,133)</i>
<i>Cash and Cash Equivalents at Beginning of Year</i>	<i>9,133</i>
	<hr/>
<i>Cash and Cash Equivalents at End of Year</i>	<i>\$ 0</i>
	<hr/> <hr/>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Operating Income (Loss)	\$ (55,388)
Adjustments:	
Increase (Decrease) in Liabilities	
Claims Payable	(9,648)
	<hr/>
<i>Total Adjustments</i>	<i>(9,648)</i>
	<hr/>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<i>\$ (65,036)</i>
	<hr/> <hr/>

Madison Plains Local School District

Statement of Fiduciary Net Assets

Fiduciary Fund

June 30, 2010

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 33,751	\$ 100,075
<i>Total Assets</i>	<u>\$ 33,751</u>	<u>\$ 100,075</u>
Liabilities		
Due to Students	0	41,132
Undistributed Monies	<u>0</u>	<u>58,943</u>
<i>Total Liabilities</i>	<u>0</u>	<u>\$ 100,075</u>
Net Assets		
Held in Trust for Scholarships	<u>33,751</u>	
<i>Total Net Assets</i>	<u>\$ 33,751</u>	

Madison Plains Local School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For Fiscal Year Ended June 30, 2010

	Private Purpose Trust
Additions	\$ 0
Deductions	0
<i>Change in Net Assets</i>	0
<i>Net Assets Beginning of Year</i>	33,751
<i>Net Assets End of Year</i>	\$ 33,751

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

Note 1 – Description of the School District

Madison Plains Local School District (the “School District”) was formed in 1968, the result of a consolidation of the Plains District and the Madison South District. This new District covered 270 square miles. The newly appointed Board of Education, Isaiah Call, Donald Dorn, Donald Laird, Marion Moats, and C. B. Stoer, met for the first time on June 22, 1968.

In 1969 the School District operated six buildings: Madison Rural School, which housed kindergarten-fourth, seventh and eighth grades; Midway School with first, third, and fifth grades; South Solon School housed kindergarten, first, second, fourth, and sixth grades; Mt. Sterling School with kindergarten through sixth grades and grades nine through twelve; Fairfield School with students in grades kindergarten through eighth, and, lastly, the Madison South High School housed grades ten, eleven, and twelve. Beginning with the 1971-72 school year, all 10th, 11th, and 12th grade students of the School District began to attend the Madison South building.

In 1976, the School District was still operating six buildings, employed 105 certified and 69 noncertified employees with an operating budget of just over two million dollars a year. Property valuation was \$56 million dollars and the School District operated on 22 mills. Student enrollment was 2,013, seventy of whom attended the Tolles Career and Technical Center. In 1978, the South Solon Elementary School was closed and sold. That same year the Madison-Plains High School, housing ninth through twelfth grades, opened for instruction.

Currently, the School District operates five buildings -three elementary schools housing grades kindergarten through fifth; one middle school with grades six, seven, and eight; and one high school which houses grades nine through twelve.

The School District is a body political 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 School District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the School District.

The average daily membership (ADM) was 1,415. The School District employed 110 certified employees and 66 non-certificated employees. The School District is supervised by the Madison- Champaign Educational Service Center, a separate entity.

The School District provides regular, vocational and special instruction. The School District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisition and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Madison Plains Local School District, this includes general operations, food service and student related activities of the School District.

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District has no component units.

The School District participates in two jointly governed organizations and one public entity risk pool. These organizations are the Miami Valley Educational Computer Association, Tolles Career and Technical Center and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 9 and 16 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The more significant of the School District's accounting policies are shown below.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each governmental activity is self-financing or draws from the general revenues of the School District.

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the School District's major governmental fund:

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

Permanent Improvement Fund The permanent improvement fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

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

Proprietary Fund Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The following is the School District's proprietary fund:

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for a self-insurance program for employee medical and prescription drug benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities. The private purpose trust funds account for assets held by the School District in a trustee capacity.

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (revenues) and decreases (expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Private Purpose Trust funds are reported using the economic resources measurement focus and are excluded from the Government-wide Financial Statements. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

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. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the School 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 (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the food service fund as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within “operating grants and contributions” program revenue account.

Under the modified accrual basis, the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each funds interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

During fiscal year 2010, investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on June 30, 2010.

For presentation on the financial statements, investments of the cash management pool and investments with maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$93,832, which includes \$42,527 assigned from other School District funds.

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets may include amounts required by statute to be set aside for the purchase of textbooks and capital improvements. See Note 18 for additional information regarding set-asides.

G. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of three thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	10-20 Years
Buildings and Improvements	25-40 Years
Furniture and Fixtures	3-10 Years
Vehicles	3-10 Years
Textbooks	10-15 Years

H. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are eligible to receive termination benefits and those the School District had identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

The entire compensated absence liability is reported on the government-wide financial statements.

In governmental funds, the liability for unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the fund financial statements when due.

J. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

K. Fund Balance Reserves and Designations

The School District reserves and designates for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund balance reserves are established for encumbrances, property taxes, textbooks and instructional materials and capital improvements. A designation of fund balance has been established by Board Resolution to account for future contingencies.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

L. Interfund Activity

Transfers between governmental activities on the government-wide statements are eliminated. 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

On fund financial statements, receivables and payables resulting from short-term interfund loans and interfund services provided and used are classified as "interfund receivables/payables." Interfund balances are eliminated in the governmental activities column of the statement of net assets.

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2010.

N. Estimates

The preparation of 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 may differ from those estimates.

O. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2010.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

P. Implementation of New Accounting Policies

For the year ended June 30, 2010, the School District has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments," and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies."

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

GASB Statement No. 51 establishes standards of accounting and financial reporting for intangible assets for all state and local governments. Inconsistencies in the accounting and financial reporting for intangible assets, particularly in the areas of recognition, initial measurement, and amortization, have occurred in practice due to the absence of sufficiently specific authoritative guidance that addresses these questions. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

Implementation of these GASB Statements did not affect the presentation of the financial statements of the School District.

Note 3 – Accountability and Compliance

A. Accountability

Fund balances at June 30, 2010 included the following individual fund deficits:

<u>Nonmajor Governmental Funds:</u>	
Uniform Supplies	\$ 2,594
Title VI-B	137,336
Title I	86,346
Drug Free Grant	3,945
E-Rate	2,160
Title II-A	38,417

The deficits in these governmental funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

Note 4 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund.

Net Change in Fund Balance

GAAP Basis	\$ 2,736,243
Net Adjustment for Revenue Accruals	(1,206,394)
Net Adjustment for Expenditure Accruals	79,656
Adjustment for Encumbrances	<u>(125,684)</u>
Budget Basis	<u><u>\$ 1,483,821</u></u>

Note 5 – Deposits and Investments

State statutes classify monies held by the School District into three categories.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies to be deposited or invested in the following securities:

1. 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 and interest by the United States;
2. 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;
3. 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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;
6. The State Treasurer's investment pool (STAROhio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

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8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Undeposited Cash - At fiscal year-end, the District had \$1,468 in undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

Deposits - At fiscal year-end, the carrying amount of the School District's deposits was \$7,645,407 and the bank balance was \$7,726,193. Of the bank balance:

1. \$500,000 of the bank balance was covered by depository insurance; and
2. \$7,226,193 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments - Investments are reported at fair value. As of June 30, 2010, the School District had the following investments:

	Fair Value	Maturity 0-12 Months
STAROhio	\$ 2,827,216	\$ 2,827,216

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy is to follow State statute which is to invest funds with the highest interest rate bid.

Credit Risk: The School District's only investment during the fiscal year is STAROhio. Its investment in STAROhio is rated AAAM by Standard and Poor's.

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Concentration of Credit Risk: The School District investment policy is to be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities. Strategies to achieve this are determined and revised periodically. All investments and deposits are collateralized pursuant to the Ohio Revised Code.

Note 6 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2009, were levied after April 1, 2009 and are collected in 2010 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006 – 2010, the School District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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The School District receives property taxes from Madison County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue. The amount available as an advance at June 30, 2010, was \$2,533,848 in the General Fund, \$127,894 in the Permanent Improvement Capital Projects Fund.

On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2010 First Half Collections		2009 Second Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$183,483,830	94.35%	\$174,726,720	84.71%
Commercial/Industrial & Public Utility	95,530	0.05%	16,374,280	7.94%
Tangible Personal Property	10,892,690	5.60%	15,150,290	7.35%
Total	<u>\$194,472,050</u>	<u>100.00%</u>	<u>\$206,251,290</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$48.45		\$48.45	

Note 7 - Receivables

Receivables at June 30, 2010, consisted of taxes, intergovernmental grants, excess costs and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. The intergovernmental receivable at June 30 consisted of federal grants and excess costs receivable.

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Note 8 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance 6/30/2009	Additions	Reductions	Balance 6/30/2010
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 820,481	\$ 0	\$ 0	\$ 820,481
Construction in Progress	0	34,655	0	34,655
Total Capital Assets, not being depreciated	820,481	34,655	0	855,136
<i>Capital Assets, being depreciated</i>				
Land Improvements	1,046,541	262,456	(52,902)	1,256,095
Buildings and Improvements	6,247,988	28,108	(282,099)	5,993,997
Furniture and Fixtures	998,321	15,912	(3,589)	1,010,644
Vehicles	1,838,488	17,800	(206,557)	1,649,731
Textbooks	649,193	0	0	649,193
Total Capital Assets, being depreciated	10,780,531	324,276	(545,147)	10,559,660
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(581,851)	(58,042)	42,572	(597,321)
Buildings and Improvements	(4,510,493)	(88,111)	243,140	(4,355,464)
Furniture and Fixtures	(795,278)	(45,297)	1,615	(838,960)
Vehicles	(1,038,745)	(82,130)	206,557	(914,318)
Textbooks	(649,193)	0	0	(649,193)
Total Accumulated Depreciation	(7,575,560)	(273,580)	493,884	(7,355,256)
Total Capital Assets being depreciated, net	3,204,971	50,696	(51,263)	3,204,404
Governmental Activities Capital Assets, Net	\$ 4,025,452	\$ 85,351	\$ (51,263)	\$ 4,059,540

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 110,462
Special	2,390
Vocational	3,646
Support Services:	
Administration	13,155
Fiscal	304
Operation and Maintenance of Plant	6,186
Pupil Transportation	86,924
Operation of Non-Instructional	12,542
Extracurricular Activities	37,971
Total Depreciation	\$ 273,580

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Note 9 – Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The School District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence and \$3,000,000 in the aggregate. In addition, the School District also maintains a \$4,000,000 umbrella liability policy.

The School District maintains fleet insurance in the amount of \$1,000,000 for any one accident or loss and replacement cost insurance on buildings and contents in the amount of \$30,175,082 (based on the most recent industrial appraisal). Insurance levels are monitored by the Treasurer and adjusted annually based on current capital assets values.

Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior years.

B. Workers' Compensation

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The Program's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Districts pay an enrollment fee to the Program to cover the costs of administering the program.

The Plan is intended to achieve the benefit of a reduced premium for The School District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan.

Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performances is compared to the overall savings percent of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The school districts apply for participation each year. The firm of Gates McDonald provides administrative, cost control and actuarial services to the Plan. Each year, The School District pays an enrollment fee to the Plan to cover the costs of administering the program.

C. Employee Medical Benefits

As of August 31, 2008, the School District ceased operating a self-funded health insurance program. Beginning September 1, 2008, the School District began purchasing commercial insurance from a major independent insurance company. However, the School District does remain self-insured for dental and vision care.

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Note 10 - Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System of Ohio (“SERS”), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS’ website at www.ohsers.org under *Employers/Audit Resources*.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District 's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The remaining 1.22 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS’ Retirement Board. The School District’s contributions to SERS for pension obligations for the years ended June 30, 2010, 2009 and 2008 were \$217,311, \$226,584 and \$220,644, respectively; 50 percent has been contributed for fiscal year 2010 and 100% of the contributions have been made for fiscal years 2009 and 2008.

B. State Teachers Retirement System

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (“STRS Ohio”), a cost-sharing, multiple-employer defined benefit pension plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website 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 member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to allocate their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment accounts. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. 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. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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A DB or Combined Plan member with five or more years of 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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, 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 employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2010, 2009 and 2008 were \$787,570, \$727,974 and \$697,421, respectively; 84% has been contributed for fiscal year 2010 and 100 percent for the fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$5,148 made by the School District and \$12,439 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2010, all members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 11 - Postemployment Benefits

A. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) 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 premium. 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.

Funding Policy – Ohio law authorized 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 2010, STRS Ohio allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for fiscal years ended June 30, 2010, 2009 and 2008 were \$56,255, \$51,998 and \$49,816, respectively; 50% has been contributed for fiscal year 2010 and 100 percent for the fiscal years 2009 and 2008.

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B. School Employees Retirement System

Plan Description — The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by SERS for non-certified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan included 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 SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

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 allocated 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 401h. For 2010, .46 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 2010, 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 School District's contributions for the years ended June 30, 2010, 2009 and 2008 were \$7,140, \$67,328 and \$52,324, respectively; 84 percent has been contributed for fiscal year 2010 and 100% of the contributions have been made for fiscal years 2009 and 2008.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was .76 percent. The School District's contributions for the years ended June 30, 2010, 2009 and 2008 were \$11,797, \$12,138 and \$11,820; 50 percent has been contributed for fiscal year 2010 and 100% of the contributions have been made for fiscal years 2009 and 2008.

Note 12 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty two days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

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Teachers, Administrators, and Classified employees earn sick leave at a rate of one and one-quarter days per month which may be accumulated up to a maximum of 271 days for classified employees and 270 for certified employees. Upon retirement, payment is made for one-fourth of accrued with a maximum of 57 days for classified employees and 85 days for certified employees.

Note 13 - Long - Term Obligations

The changes in the School District's long-term obligations during the year consist of the following:

	Outstanding 7/01/2009	Additions	Reductions	Outstanding 6/30/2010	Amounts Due in One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
Energy Conservation	\$ 215,000	\$ 0	\$ 25,000	\$ 190,000	\$ 25,000
<i>Other Long-Term Liabilities:</i>					
Compensated Absences (restated)	726,192	16,163	54,484	687,871	62,052
Early Retirement Incentive	14,000	21,000	7,000	28,000	14,000
Total Other Long-Term Liabilities	<u>740,192</u>	<u>37,163</u>	<u>61,484</u>	<u>715,871</u>	<u>76,052</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 955,192</u>	<u>\$ 37,163</u>	<u>\$ 86,484</u>	<u>\$ 905,871</u>	<u>\$ 101,052</u>

Energy Conservation Bonds - Energy conservation bonds in the amount of \$319,550 were issued in accordance with Chapter 133 of the Ohio Revised Code on July 1, 2003 with an average annual interest rate of 3.66%. The purpose of the energy conservation bonds issued was to reduce energy consumption in buildings owned by the School District. The energy conservation bonds were scheduled to be repaid over a 14 year period with the final payment due on December 1, 2016. The bonds will be retired from the capital projects fund.

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Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2010 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 25,000	\$ 2,100	\$ 27,100
2012	25,000	6,680	31,680
2013	25,000	5,661	30,661
2014	25,000	4,611	29,611
2015	30,000	3,428	33,428
2016-2017	60,000	713	60,713
Total	<u>\$ 190,000</u>	<u>\$ 23,193</u>	<u>\$ 213,193</u>

Note 14 – Deferred Revenue

Deferred revenue consisted of the following:

	<u>Statement of Net Assets</u>	<u>Balance Sheet</u>
Property Taxes Receivable	\$ 4,355,221	\$ 4,701,825
Excess Costs	0	9,084
Grants Receivable	0	78,483
Total Deferred	<u>\$ 4,355,221</u>	<u>\$ 4,789,392</u>

Note 15 – Interfund Balances

Interfund balances at June 30, 2010 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 312,184	\$ 0
Nonmajor Governmental Funds:		
Uniform Supplies	0	2,594
Title VI	0	142,659
Title I	0	74,629
Drug Free	0	4,939
E-Rate	0	2,161
Title II-A	0	29,299
Self Insurance	0	55,903
Total	<u>\$ 312,184</u>	<u>\$ 312,184</u>

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Interfund receivables and payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. Included within the balances, are loans made from the general fund (\$312,184) to the uniform supply, Title VI, Title I, Drug Free, Title II-A and Self-Insurance funds in the amount of \$312,184. These loans were made on a GAAP basis to offset unencumbered negative cash balances reported as of the end of fiscal year 2010. As of June 30, 2010, all interfund payables outstanding are anticipated to be repaid in fiscal year 2011.

Note 16 - Jointly Governed Organizations

Miami Valley Educational Computer Association – The School District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene and Highland Counties. The 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 school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The School District paid MVECA \$39,405 for services provided during the fiscal year. Financial information can be obtained from Angie Crandall, Executive Director, at MVECA at 330 Enon Road, Yellow Springs, Ohio 45387.

Tolles Career and Technical Center - The Tolles Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board of Education consisting of one representative from each of the seven participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Treasurer of the Tolles Career and Technical Center, 7877 U.S. Route 42, NE, Plain City, Ohio 43064.

Note 17 - Contingencies

A. Grants

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

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition the School District.

Note 18 - Set-Asides

The School 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 acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly

MADISON PLAINS LOCAL SCHOOL DISTRICT
MADISON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

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.

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

	Capital Improvement Reserve	Textbook Instructional Materials Reserve	Total
Set-Aside Cash Balance as of June 30, 2009	\$ 0	\$ 0	\$ 0
Set-Aside Carryover Balance as of June 30, 2009	109,928	0	109,928
Current Year Set-Aside Requirement	230,616	230,616	461,232
Qualifying Disbursements	(53,350)	(34,345)	(87,695)
Total	\$ 287,194	\$ 196,271	\$ 483,465
Cash Balance Carried Forward to FY 2011	\$ 287,194	\$ 196,271	\$ 483,465
Restricted Cash			\$ 483,465

The School District may use any negative amount in the textbooks set-aside to reduce set-aside requirements of future fiscal years. Amounts remaining at the fiscal year-end are represented by a reserve fund balance presented on the balance sheet.

Note 19 - Restatement of Net Assets

During 2010, the School District changed the GAAP method used to calculate the amount of liability for unused sick leave payable upon termination of employees from the vesting method to the termination method. The change resulted in a restatement to beginning net assets as follows:

Net Assets, at June 30, 2009	\$ 11,967,281
Adjustment to long-term liability	(448,400)
Restated Net Assets, at July 1, 2009	\$ 11,518,881

Note 20 – Subsequent Event

The School District has entered into contracts for design and project management services for approximately \$1,000,000.

MADISON-PLAINS LOCAL SCHOOL DISTRICT

Single Audit Report

June 30, 2010

MADISON-PLAINS LOCAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grant/ 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						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$34,225	\$0	\$34,225	\$0
National School Lunch Program	3L60	10.555	155,242	52,746	155,242	52,746
Total Nutrition Cluster			<u>189,467</u>	<u>52,746</u>	<u>189,467</u>	<u>52,746</u>
Total U.S. Department of Agriculture			<u>189,467</u>	<u>52,746</u>	<u>189,467</u>	<u>52,746</u>
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	222,547	0	335,190	0
Special Education-Grants to States - ARRA	3DJ0	84.391	128,234	0	188,163	0
Total Special Education Cluster			<u>350,781</u>	<u>0</u>	<u>523,353</u>	<u>0</u>
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	159,583	0	166,775	0
Title I Grants to Local Educational Agencies - ARRA	3DK0	84.389	10,608	0	91,748	0
Total Title I Cluster			<u>170,191</u>	<u>0</u>	<u>258,523</u>	<u>0</u>
Safe and Drug Free Schools and Communities	3D10	84.186	3,638	0	9,397	0
State Grants for Innovative Programs	3M10	84.298	422	0	6	0
Education Technology State Grants	3S20	84.318	1,302	0	1,149	0
Improving Teacher Quality	3Y60	84.367	58,662	0	133,210	0
State Fiscal Stabilization Fund (SFSF) Ed St Grant - ARRA	GRF	84.394	311,090	0	246,435	0
Total Department of Education			<u>896,086</u>	<u>0</u>	<u>1,172,073</u>	<u>0</u>
Total Federal Assistance			<u>\$1,085,553</u>	<u>\$52,746</u>	<u>\$1,361,540</u>	<u>\$52,746</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**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-Plains 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-Plains Local School District (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

We noted certain matters that we reported to management of the District in a separate letter dated December 30, 2010.

This report is intended solely for the information and use of management, the Auditor of State, the Board of Education, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 30, 2010

**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-Plains Local School District

Compliance

We have audited the compliance of the Madison-Plains Local School District (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 its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's 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 of 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 year ended June 30, 2010.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control* over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2010, and have issued our report thereon date December 30, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Auditor of State, the Board of Education, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 30, 2010

**MADISON-PLAINS LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010**

Section I – Summary of Auditor’s Results

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified	
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No	
(d)(1)(ii)	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No	
(d)(1)(iii)	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No	
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No	
(d)(1)(iv)	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No	
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified	
(d)(1)(vi)	<i>Are there any reportable findings under Section .510?</i>	No	
(d)(1)(vii)	<i>Major Programs (list):</i>	Special Education Cluster	
		Grants to State	CFDA # 84.027
		Grants to State - ARRA	CFDA # 84.391
		Title I Cluster	
		Title I	CFDA # 84.010
		Title I - AARA	CFDA # 84.389
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others	
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No	

Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

**MADISON-PLAINS LOCAL SCHOOL DISTRICT
JUNE 30, 2010**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
*OMB CIRCULAR A-133***

Madison-Plains Local School District had no prior audit findings or questioned costs.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Education
Madison-Plains Local School District

Ohio Rev. 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 Madison Plains Local School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. 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 has not adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. No further procedures were performed in relation to the requirements of Ohio Rev. Code Section 117.53 as detailed in the above first paragraph.

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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 30, 2010



Dave Yost • Auditor of State

MADISON PLAINS LOCAL SCHOOL DISTRICT

MADISON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 17, 2011**