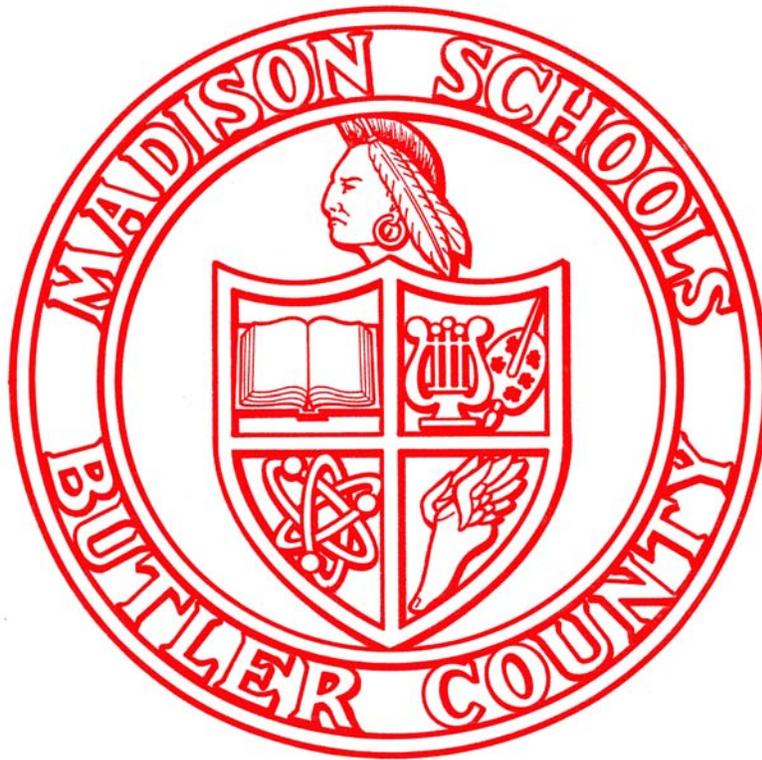


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# MADISON LOCAL SCHOOL DISTRICT

Butler County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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# Dave Yost • Auditor of State

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

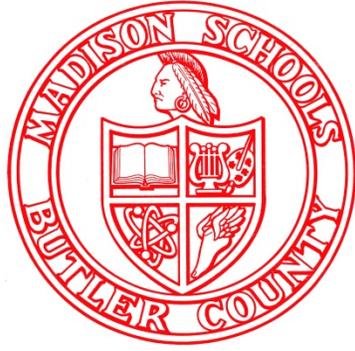
We have reviewed the *Independent Auditors' Report* of the Madison Local School District, Butler County, prepared by Bastin & Company, LLC, for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Madison 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

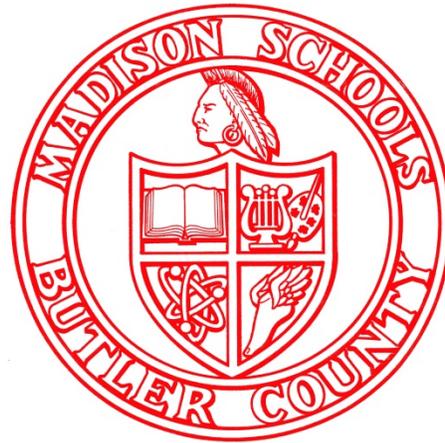
April 20, 2012



**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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*Middletown, Butler County, Ohio*



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
June 30, 2011**

*Prepared by:*

**Mr. Brian Rabe  
Treasurer**

*MADISON LOCAL SCHOOL DISTRICT, OHIO*

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# MADISON LOCAL SCHOOL DISTRICT, OHIO

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**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**III**

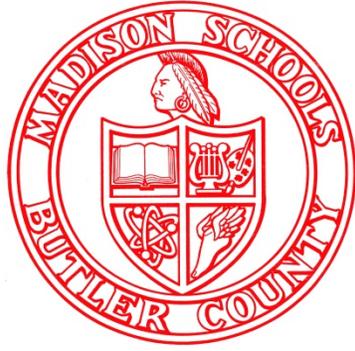
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# *INTRODUCTORY SECTION*

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## MADISON BOARD OF EDUCATION



**Tom York, Superintendent**  
**Brian Rabe, Treasurer/CFO**

February 29, 2012

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Board of Education of the Madison Local School District (the "District") for the fiscal year ended June 30, 2011. This report was prepared by the Office of the Treasurer and includes the report of the independent auditor, Bastin & Company, LLC. The independent auditors' report concludes that the District's financial statements for the year ended June 30, 2011 are prepared in conformity with generally accepted accounting principles. The independent auditor's report is included as the first component of the financial section of this report.

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

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

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

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

# ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2011***

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### **Profile of the District**

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

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

The District's 2011-10 enrollment (K-12), including open enrollment and excluding community school students, was 1,568 students. The District served 95% of the 1,493 children who reside within its boundaries. Daily transportation was provided for 946 public students and 45 for non-public (parochial & community school) students. Buses traveled an average of 848 miles each school day for the 2011-10 school year.

Madison Local School District offers a comprehensive academic program including College preparatory classes, honors classes, advanced placement courses, gifted education, vocational programs, and a special education services. The school district provides after-school tutoring, in-school academic intervention, speech/language therapy, occupational and physical therapy, and counseling. In addition, Madison School District offers students the opportunity to participate in a wide range of extracurricular activities. The district has achieved above "Value Added" for the last three years. This Value Added ranking indicates that the district has helped students achieve more than one year of academic growth each school year. On the State of Ohio's 2011-10 Report Card the district was rated "Excellent" and continues to achieve annual district goals.

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

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

## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2011***

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Thomas York was appointed Superintendent of Schools effective May 1, 2009 contracted through July 31, 2012. Mr. York was previously Superintendent of Schools for neighboring Edgewood Local School District, and has a total of 30 years in public education. He received a Master of Education degree from Xavier University in 1983 and a Bachelor of Science degree from Miami University in 1977. He also holds a second Bachelor's degree in History and a second Master's degree in Christian Education, both from Evangel University.

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

The current Treasurer/CFO, Brian S. Rabe is under contract for a term ending July 31, 2013. Mr. Rabe holds a Bachelor Degree in Business Administration from the University of Cincinnati (1995). Mr. Rabe has served as Treasurer in Ohio public school districts for the past 12 years (1 at Madison).

### **Major Initiatives and Events – FY 2011**

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

Completed Construction of PK-6 Elementary School - Construction for a PK-6 elementary school addition was completed in the Fall of 2010. The new 101,258 square foot Madison PK-6 Elementary School has a capacity of holding 848 students and highlights a concession area featuring indoor restrooms opposed to outdoor portable facilities and a concession stand and ticket booth that will facilitate both indoor and outdoor sporting events. Additionally, the project includes a Main Plaza area for student/community use, a fully landscaped courtyard and a media center and auxiliary computer lab.

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

Individually, the elementary building maintained an "Effective" rating while the JH/HS received an "Excellent" rating with student achievement exceeding the state's expectations for a year's worth of academic growth over the last three years, propelling the district to the "Excellent" designation. Also noted, although the district is making strides on test scores in math and reading, the district will continue to work toward elevated levels of success in both areas through professional development for teachers, individualized education for students and constant collection and analysis of the student achievement data.

# ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2011***

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### **Local Economic Condition and Outlook**

The local economy of Madison Local School District is tied to conditions in the City of Middletown as well as economic factors affecting SW Ohio. In 2010, a sexennial reappraisal of property values netted only a fraction of the historic increase in the district's tax base. With an annual trend of slightly declining local enrollment (1.5%), the district faces reduced unrestricted state funding, which comprised 50.2% of 2011 operating revenues. Inflation of the tax base has been the district's major source of new funding to offset increasing costs. In 2011, the district will face another "Update" of property values, and all indications are that while recovery in the housing market may be underway, an increase in valuation at historical levels cannot be assumed. Revenue growth is a major concern for Madison Schools.

One bright facet of the district's finances revolves around Open Enrollment. Each year, the district admits a number of students from adjacent school districts. This results in the collection of an annual per pupil amount from those districts. In 2011, that amount was \$5,732 for regular full-time students. This amount represents the state share of education, as well as the local "Charge Off" amount, which is the calculated residential district's share of educating a student. Madison Schools uses Open Enrollment to fill empty classroom seats. There is potential from this source to supplant losses in unrestricted state funding due to local enrollment losses and losses from revision of the state funding formula.

Another area for concern is that of revenue losses from resident students attending Community Schools. These losses amounted to \$383,561 in FY11. The level of funding Madison loses to private Community Schools is more than the same loss of other larger Butler County school districts. Program changes to specifically serve students needing an alternative educational setting, and an organized public relations campaign to tout recent program successes and the district's elevation to an "Excellent" rating are planned to target the disproportionate drain of resources from Community Schools.

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

The district also receives funding from a .5% income tax on residents. Current unemployment has reached double-digit percentages in the state, 11.1% as of June 2011. Ohio's unemployment has nearly doubled from 5.7% in January 2010. A downturn in the manufacturing sector compounded by the condition of the housing market has fueled the precipitous drop in employment at the state and local levels. Projections from the Ohio Department of Taxation are that the state's employment situation will lag behind recovery of the overall economy, with a rebound expected in late 2011 or early 2012. Madison's income tax receipts were down 10.3% in the first two quarters of collections in 2011 compared to the same quarters in 2010.

## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2011***

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

### **Long-term Financial Planning**

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

Early in 2012, after new board members take office by virtue of the November 2011 general election, the board of education is planning a special session to develop fiscal goals and a long range plan for dealing with the financial challenges facing the district. The goal of this work session is to not only provide operational guidance, but to empower administration in the development and promotion of excellence in district programs. By providing competitive, effective programs that are understood and valued by the community, the loss of local residents to out-migration and community schools may be curtailed. In addition, with the maintenance of an "Excellent" rating from the Ohio Department of Education, it is possible that more families will have an incentive to locate within the district, providing necessary revenue growth from an expanding tax base and enhanced state funding.

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

# ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2011***

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### **Financial Information**

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

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

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

As part of the District’s single audit, tests are made to determine the adequacy of the internal controls, including that portion relating to federal financial assistance programs, as well as to verify that the District has complied with applicable laws and regulations. The results of the District’s single audit for the fiscal year ended June 30, 2011, as of this writing, revealed no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

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

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2011***

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#### **Awards and Acknowledgments**

***GFOA Certificate of Achievement.*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The June 30, 2009 CAFR was the first CAFR prepared by the District to receive this prestigious award. For fiscal year ended June 30, 2010 the District did not complete a CAFR due to the replacement of two treasurers in the fall of 2010.

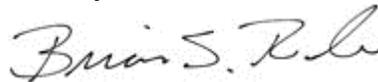
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

**Independent Audit** - State statute requires an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The Auditor of State has contracted the District Audit for fiscal year ended June 30, 2011 to Bastin & Company, LLC, an independent certified public accounting firm. In addition to meeting the requirements of state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984, the 1996 amendments thereto, and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

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

Sincerely,



Brian Rabe  
Treasurer & CFO

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***List of Principal Officials  
For the Fiscal Year Ended June 30, 2011***

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**Members of the Board of Education:**



David French  
President

Term expires 12/31/2011



Tim Young  
Vice President

Term expires 12/31/2011



Marva Sampson  
Board Member  
Term expires 12/31/2013



Mike Miller  
Board Member  
Term expires 12/31/2013



Angie Whiteman  
Board Member  
Term expires 12/31/2011

# ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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## ***List of Principal Officials For the Fiscal Year Ended June 30, 2011***

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### **District Administration:**

<b><u>Name</u></b>	<b><u>Title</u></b>
Tom York	Superintendent
Brian S. Rabe	Treasurer/CFO
Darren Stevens	Director of Support Services
Debbie Morrison	Director of Special Education
Cheryl Scrivner	Director of Curriculum and Instruction
Amber Huff	Director of Community Relations and Grant Writing
Joy Shaw	Director of Technology
Matt Gray	Principal, Madison Primary School
Jason Jackson	Assistant Principal, Madison Primary School
Curtis Philpot	Principal, Madison Junior/Senior High School
Justin Smith	Assistant Principal, Madison Junior/Senior High School



Tom York  
Superintendent



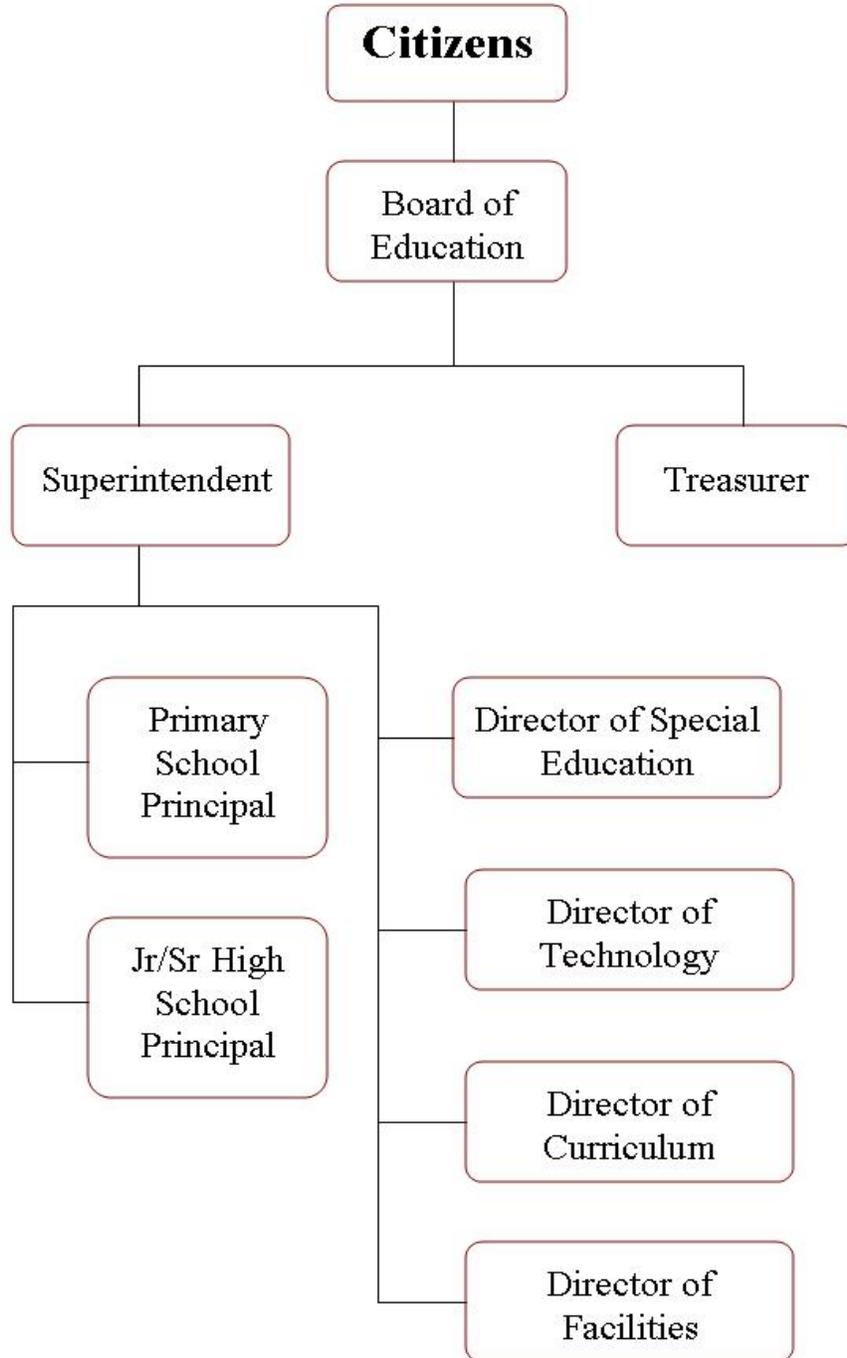
Brian S. Rabe  
Treasurer/CFO

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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*Organizational Chart  
For the Fiscal Year Ended June 30, 2011*

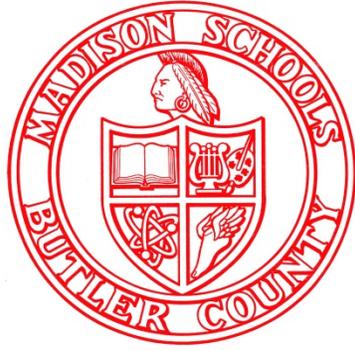
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## *FINANCIAL SECTION*

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# Bastin & Company, LLC

*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Madison Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Local School District, Butler County, Ohio, (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Local School District, Butler County, Ohio, as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In addition, balances previously reported at June 30, 2010 for grant receivables and capital assets have been restated.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Bastin & Company, L L C*

Cincinnati, Ohio  
February 15, 2012

# MADISON LOCAL SCHOOL DISTRICT, OHIO

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011*

*Unaudited*

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The discussion and analysis of Madison Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

## FINANCIAL HIGHLIGHTS

**Key financial highlights for 2011 are as follows:**

- ❑ Net assets decreased \$1,692,289, which represents a 7.6% decrease from 2010.
- ❑ General revenues accounted for \$12,239,945 in revenue or 80.4% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,982,241, or 19.6% of total revenues of \$15,222,186.
- ❑ The District had \$16,914,475 in expenses related to governmental activities; \$2,982,241 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$12,239,945 were also available to provide for these programs.
- ❑ Among major funds, the General Fund had \$11,263,641 in revenues and \$12,393,252 in expenditures. The General Fund's fund balance decreased \$1,129,611 to \$1,530,757. Revenues decreased from 2010 by 7.2%, primarily due to a decrease in property tax receipts and property allocation reimbursements. Expenditures increased .7% from 2010.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

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## **Government-wide Statements**

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

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

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

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

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

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

## **Fund Financial Statements**

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

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

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

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

### **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The following table provides a summary of the District's net assets for 2011 compared to 2010.

	Governmental Activities	Restated 2010	Increase (Decrease)
Current and other assets	\$10,364,884	\$15,832,192	(\$5,467,308)
Capital assets, Net	31,286,839	27,373,487	3,913,352
Total assets	41,651,723	43,205,679	(1,553,956)
Long-term debt outstanding	13,839,551	14,462,948	(623,397)
Other liabilities	7,304,310	6,542,580	761,730
Total liabilities	21,143,861	21,005,528	138,333
Net assets			
Invested in capital assets, net of related debt	17,707,514	14,098,173	3,609,341
Restricted	1,222,255	5,642,886	(4,420,631)
Unrestricted	1,578,093	2,459,092	(880,999)
Total net assets	\$20,507,862	\$22,200,151	(\$1,692,289)

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## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for fiscal years 2011 and 2010:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Revenues			
Program revenues:			
Charges for Services and Sales	\$1,624,500	\$1,784,659	(\$160,159)
Operating Grants and Contributions	1,357,741	1,674,165	(316,424)
Capital Grants and Contributions	0	3,830,762	(3,830,762)
General revenues:			
Taxes:			
Property Taxes	4,363,693	5,094,402	(730,709)
Income Taxes	853,291	759,498	93,793
Grants and Entitlements	6,518,941	6,681,736	(162,795)
Investment Earnings	13,409	71,029	(57,620)
Miscellaneous	490,611	105,534	385,077
Total revenues	<u>15,222,186</u>	<u>20,001,785</u>	<u>(4,779,599)</u>
Program Expenses			
Instruction:			
Regular Instruction	6,992,679	6,180,750	811,929
Special Instruction	1,166,601	1,077,070	89,531
Vocational Instruction	2,351	2,797	(446)
Other Instruction	509,849	534,703	(24,854)
Support Services:			
Pupils	691,662	658,327	33,335
Instructional Staff	970,110	892,530	77,580
Board of Education	89,245	83,741	5,504
Administration	1,180,677	1,343,915	(163,238)
Fiscal Services	316,007	314,637	1,370
Business	2,147	4,796	(2,649)
Operation and Maintenance of Plant	1,734,124	1,715,213	18,911
Pupil Transportation	952,993	911,670	41,323
Central	480,398	411,556	68,842
Operation of Non-Instructional Services:			
Food Service Operations	684,419	708,774	(24,355)
Community Services	31,703	42,662	(10,959)
Extracurricular Activities	469,744	422,981	46,763
Debt Service:			
Interest and Fiscal Charges	639,766	651,444	(11,678)
Total expenses	<u>16,914,475</u>	<u>15,957,566</u>	<u>956,909</u>
Total Change in Net Assets	(1,692,289)	4,044,219	(5,736,508)
Restatement	0	(2,923,577)	2,923,577
Beginning Net Assets, Restated	<u>22,200,151</u>	<u>21,079,509</u>	<u>1,120,642</u>
Ending Net Assets	<u>\$20,507,862</u>	<u>\$22,200,151</u>	<u>(\$1,692,289)</u>

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Unaudited**

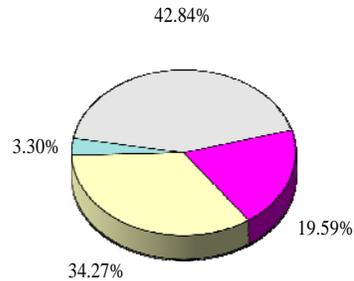
**Governmental Activities**

Net assets of the District's governmental activities decreased by \$1,692,289 for fiscal year 2011 compared to a restated increase of \$1,120,642 during fiscal year 2010. The decrease is due primarily to decreased tax and grant revenues in 2011.

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

General grants made up 42.84% of revenues for governmental activities for Madison Local School District in fiscal year 2011. The District's reliance upon general grant revenues is demonstrated by the following graph:

Revenue Sources	2011	Percent of Total
General Grants	\$6,518,941	42.84%
Program Revenues	2,982,241	19.59%
General Tax Revenues	5,216,984	34.27%
General Other	504,020	3.30%
Total Revenue	<u>\$15,222,186</u>	<u>100.00%</u>



**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The District's governmental funds reported a combined fund balance of \$2,683,519, which is a decrease from last year's total of \$8,909,050. The schedule below indicates the fund balance and the total change in fund balance by fund as of June 30, 2011 and 2010.

	Fund Balance June 30, 2011	Restated Fund Balance June 30, 2010	Increase (Decrease)
General	\$1,530,757	\$2,660,368	(\$1,129,611)
Debt Service	393,884	358,842	35,042
Classroom Facilities	50,506	4,862,888	(4,812,382)
Other Governmental	708,372	1,026,952	(318,580)
Total	<u>\$2,683,519</u>	<u>\$8,909,050</u>	<u>(\$6,225,531)</u>

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Unaudited**

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

	2011	Restated 2010	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Taxes	\$3,520,970	\$4,540,798	(\$1,019,828)
Tuition	914,740	864,591	50,149
Investment Earnings	7,357	31,392	(24,035)
Extracurricular Activities	58,787	82,201	(23,414)
Class Materials and Fees	53,693	62,160	(8,467)
Intermediate Sources	378	16,405	(16,027)
Intergovernmental - State	6,256,819	6,414,518	(157,699)
Intergovernmental - Federal	12,904	22,089	(9,185)
All Other Revenue	437,993	108,557	329,436
Total	<u><u>\$11,263,641</u></u>	<u><u>\$12,142,711</u></u>	<u><u>(\$879,070)</u></u>

General Fund revenues in 2011 decreased approximately 7.2% compared to revenues for fiscal year 2010. The primary factor contributing to this decrease was the decrease in property taxes and property tax allocation revenues.

	2011	Restated 2010	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
<b>Instruction:</b>			
Regular Instruction	\$5,240,006	\$5,161,845	\$78,161
Special Instruction	969,914	975,755	(5,841)
Vocational Instruction	0	801	(801)
Other Instruction	479,501	507,724	(28,223)
<b>Supporting Services:</b>			
Pupils	642,170	639,690	2,480
Instructional Staff	530,857	477,778	53,079
Board of Education	89,245	83,741	5,504
Administration	1,006,838	1,106,418	(99,580)
Fiscal Services	316,702	310,388	6,314
Business	2,147	4,796	(2,649)
Operation and Maintenance of Plant	1,427,412	1,478,999	(51,587)
Pupil Transportation	898,036	843,602	54,434
Central	446,749	364,824	81,925
Community Services	31,703	41,066	(9,363)
Extracurricular Activities	293,931	297,457	(3,526)
Capital Outlay	18,041	9,143	8,898
Total	<u><u>\$12,393,252</u></u>	<u><u>\$12,304,027</u></u>	<u><u>\$89,225</u></u>

# MADISON LOCAL SCHOOL DISTRICT, OHIO

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Unaudited

The expenditures increased by \$89,225 or .7% compared to the prior year, mostly due to increased costs for regular education.

*Debt Service Fund* – The fund balance did not change significantly.

*Classroom Facilities Fund* – The fund balance decreased by \$4.8 million due to the fact that capital expenditures related to the newly constructed school facilities were paid from existing fund balance available at the beginning of the year.

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

During the course of fiscal year 2011 the District amended its General Fund budget several times.

For the General Fund, budget basis revenue of \$12.3 million was an increase from the original budget estimates of \$11.5 million. This was due primarily to an increase in tax revenues. Budget basis expenditures of \$12.6 million reflected an increase from the original budget estimates of \$10 million and accounted for increases across the spectrum of all functions. The General Fund had an adequate fund balance to cover expenditures.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal 2011 the District had \$31,286,839 net of accumulated depreciation invested in land; construction in progress; land improvements; buildings; furniture, fixtures and equipment and vehicles. The following table shows fiscal year 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	Restated 2010	
Land	\$290,152	\$290,152	\$0
Construction in Progress	0	14,268,392	(14,268,392)
Land Improvements	1,994,695	1,875,211	119,484
Buildings	35,615,542	16,531,989	19,083,553
Furniture, Fixtures and Equipment	3,239,278	3,066,263	173,015
Vehicles	30,720	30,720	0
Less: Accumulated Depreciation	(9,883,548)	(8,689,240)	(1,194,308)
Totals	\$31,286,839	\$27,373,487	\$3,913,352

The primary increase occurred in buildings which can be attributed to the completion of construction on a new elementary, middle and high school. Overall net capital assets increased by \$3,913,352.

Additional information on the District's capital assets can be found in Note 9.

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

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### *Debt*

At June 30, 2011, the District had \$10,618,403 in bonds outstanding, \$187,083 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Governmental Activities:		
General Obligation Bonds	\$10,618,403	\$11,092,436
Capital Leases	3,086,306	3,220,102
Compensated Absences	134,842	150,410
Totals	<u>\$13,839,551</u>	<u>\$14,462,948</u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2011, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Notes 12 and 13.

### **ECONOMIC FACTORS**

As the preceding information shows, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. New construction and new levies also contribute to growth of this revenue. With the collapse of real estate values in 2010, the District lost its primary source of revenue growth (i.e. inflation of the tax base). In addition, an update of the 2010 reappraisal values is currently underway because of the precipitous drop in the housing market. The next regular valuation update is scheduled for 2011, and represents an important factor for future District funding.

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

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

## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011***

***Unaudited***

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### **REQUESTS FOR INFORMATION**

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

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### **Statement of Net Assets** **June 30, 2011**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 3,511,178
Receivables:	
Taxes	6,553,432
Accounts	46,148
Intergovernmental	113,437
Inventory of Supplies at Cost	15,305
Deferred Charges	125,384
Non-Depreciable Capital Assets	290,152
Depreciable Capital Assets, Net	<u>30,996,687</u>
<b>Total Assets</b>	<u>41,651,723</u>
<b>Liabilities:</b>	
Accounts Payable	271,084
Accrued Wages and Benefits	1,016,098
Deferred Revenue	5,940,000
Accrued Interest Payable	77,128
Long Term Liabilities:	
Due Within One Year	331,280
Due in More Than One Year	<u>13,508,271</u>
<b>Total Liabilities</b>	<u>21,143,861</u>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	17,707,514
Restricted For:	
Capital Projects	412,206
Debt Service	364,910
Other Purposes	445,139
Unrestricted	<u>1,578,093</u>
<b>Total Net Assets</b>	<u>\$ 20,507,862</u>

See accompanying notes to the basic financial statements

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

### **Statement of Activities For the Fiscal Year Ended June 30, 2011**

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular Instruction	\$ 6,992,679	\$ 991,421	\$ 538,339	\$ (5,462,919)
Special Instruction	1,166,601	0	118,305	(1,048,296)
Vocational Instruction	2,351	0	0	(2,351)
Other Instruction	509,849	0	31,564	(478,285)
Support Services:				
Pupils	691,662	0	27,449	(664,213)
Instructional Staff	970,110	0	259,311	(710,799)
Board of Education	89,245	0	0	(89,245)
Administration	1,180,677	0	73,868	(1,106,809)
Fiscal Services	316,007	0	0	(316,007)
Business	2,147	0	0	(2,147)
Operation and Maintenance of Plant	1,734,124	1,565	5,000	(1,727,559)
Pupil Transportation	952,993	759	53,498	(898,736)
Central	480,398	1,157	6,825	(472,416)
Operation of Non-Instructional:				
Food Service Operations	684,419	462,168	243,582	21,331
Community Services	31,703	0	0	(31,703)
Extracurricular Activities	469,744	167,430	0	(302,314)
Interest and Fiscal Charges	639,766	0	0	(639,766)
<b>Totals</b>	<b>\$ 16,914,475</b>	<b>\$ 1,624,500</b>	<b>\$ 1,357,741</b>	<b>(13,932,234)</b>

#### **General Revenues:**

Taxes:	
Property	4,363,693
Income	853,291
Grants and Entitlements not Restricted to Specific Programs	6,518,941
Investment Earnings	13,409
Miscellaneous	490,611
<b>Total General Revenues</b>	<b>12,239,945</b>
Change in Net Assets	(1,692,289)
Net Assets Beginning of Year	22,200,151
Net Assets End of Year	<b>\$ 20,507,862</b>

See accompanying notes to the basic financial statements

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

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	General	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 2,084,579	\$ 393,884	\$ 161,813	\$ 870,902	\$ 3,511,178
Receivables:					
Taxes	4,882,438	1,058,155	0	612,839	6,553,432
Accounts	36,798	0	0	9,350	46,148
Intergovernmental	0	0	0	113,437	113,437
Interfund Loans Receivable	125,825	0	0	2,683	128,508
Inventory of Supplies at Cost	0	0	0	15,305	15,305
<b>Total Assets</b>	<b>\$ 7,129,640</b>	<b>\$ 1,452,039</b>	<b>\$ 161,813</b>	<b>\$ 1,624,516</b>	<b>\$ 10,368,008</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 180,364	\$ 0	\$ 5,035	\$ 85,685	\$ 271,084
Accrued Wages and Benefits	862,327	0	0	153,771	1,016,098
Interfund Loans Payable	0	0	106,272	22,236	128,508
Deferred Revenue	4,556,192	1,058,155	0	654,452	6,268,799
<b>Total Liabilities</b>	<b>5,598,883</b>	<b>1,058,155</b>	<b>111,307</b>	<b>916,144</b>	<b>7,684,489</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	15,305	15,305
Restricted	0	393,884	50,506	734,626	1,179,016
Assigned	209,270	0	0	0	209,270
Unassigned	1,321,487	0	0	(41,559)	1,279,928
<b>Total Fund Balances</b>	<b>1,530,757</b>	<b>393,884</b>	<b>50,506</b>	<b>708,372</b>	<b>2,683,519</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,129,640</b>	<b>\$ 1,452,039</b>	<b>\$ 161,813</b>	<b>\$ 1,624,516</b>	<b>\$ 10,368,008</b>

See accompanying notes to the basic financial statements

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### ***Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities June 30, 2011***

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<b>Total Governmental Fund Balances</b>	\$ 2,683,519
<b><i>Amounts reported for governmental activities in the statement of net assets are different because</i></b>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	31,286,839
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	328,799
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds Payable	(10,618,403)
Capital Leases Payable	(3,086,306)
Deferred Charges for Issuance Costs	125,384
Accrued Interest Payable	(77,128)
Compensated Absences Payable	(134,842)
	<u>(13,791,295)</u>
<b><i>Net Assets of Governmental Activities</i></b>	<b><u>\$ 20,507,862</u></b>

See accompanying notes to the basic financial statements

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

### **Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2011**

	General	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 3,520,970	\$ 867,700	\$ 0	\$ 592,900	\$ 4,981,570
Tuition	914,740	0	0	0	914,740
Investment Earnings	7,357	0	2,835	3,217	13,409
Food Services	0	0	0	462,168	462,168
Extracurricular Activities	58,787	0	0	88,749	147,536
Class Materials and Fees	53,693	0	0	0	53,693
Receipts from Intermediate Sources	378	0	0	27,240	27,618
Intergovernmental - State	6,256,819	140,797	0	170,580	6,568,196
Intergovernmental - Federal	12,904	0	0	1,541,665	1,554,569
Miscellaneous	437,993	0	0	71,365	509,358
<b>Total Revenue</b>	<b>11,263,641</b>	<b>1,008,497</b>	<b>2,835</b>	<b>2,957,884</b>	<b>15,232,857</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular Instruction	5,240,006	0	0	963,173	6,203,179
Special Instruction	969,914	0	0	194,340	1,164,254
Other Instruction	479,501	0	0	30,348	509,849
Supporting Services:					
Pupils	642,170	0	0	41,000	683,170
Instructional Staff	530,857	0	0	423,543	954,400
Board of Education	89,245	0	0	0	89,245
Administration	1,006,838	0	0	77,259	1,084,097
Fiscal Services	316,702	0	0	0	316,702
Business	2,147	0	0	0	2,147
Operation & Maintenance of Plant	1,427,412	0	0	135,476	1,562,888
Pupil Transportation	898,036	0	0	52,670	950,706
Central	446,749	14,032	56	13,857	474,694
Operation of Non-Instructional:					
Food Service Operations	0	0	0	641,383	641,383
Community Services	31,703	0	0	0	31,703
Extracurricular Activities	293,931	0	0	137,627	431,558
Capital Outlay	18,041	0	4,815,161	274,458	5,107,660
Debt Service:					
Principal Retirement	0	580,000	0	133,796	713,796
Interest & Fiscal Charges	0	379,423	0	161,540	540,963
<b>Total Expenditures</b>	<b>12,393,252</b>	<b>973,455</b>	<b>4,815,217</b>	<b>3,280,470</b>	<b>21,462,394</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,129,611)	35,042	(4,812,382)	(322,586)	(6,229,537)
<b>Fund Balances at Beginning of Year</b>	<b>2,660,368</b>	<b>358,842</b>	<b>4,862,888</b>	<b>1,026,952</b>	<b>8,909,050</b>
Increase in Inventory Reserve	0	0	0	4,006	4,006
<b>Fund Balances End of Year</b>	<b>\$ 1,530,757</b>	<b>\$ 393,884</b>	<b>\$ 50,506</b>	<b>\$ 708,372</b>	<b>\$ 2,683,519</b>

See accompanying notes to the basic financial statements

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Fiscal Year Ended June 30, 2011***

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**Net Change in Fund Balances - Total Governmental Funds** \$(6,229,537)

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

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

Capital Outlay	5,107,660	
Depreciation Expense	<u>(1,194,308)</u>	3,913,352

Revenues in the statement of activities that do not provide current financial are not reported as revenues in the funds.

Increase in Delinquent Tax Revenue	235,414	
Decrease in Grants Receivable	<u>(246,085)</u>	(10,671)

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

General Obligation Bond Principal Payment	580,000	
Amortization of Bond Premiums	38,206	
Amortization of Deferred Loss on Defeasance	(68,835)	
Amortization of Deferred Charges	(7,837)	
Accretion on Capital Appreciation Bonds	(75,338)	
Capital Lease Payments	<u>133,796</u>	599,992

In the statement of activities, interest is accrued on outstanding bonds, whereas governmental funds, an interest expenditure is reported when due. 15,001

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Decrease in Compensated Absences	15,568	
Increase in Inventory	<u>4,006</u>	<u>19,574</u>

***Change in Net Assets of Governmental Activities*** \$(1,692,289)

See accompanying notes to the basic financial statements

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For The Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 4,350,386	\$ 4,723,277	\$ 4,723,277	\$ 0
Tuition	849,599	914,320	914,530	210
Investment Earnings	30,000	7,372	7,357	(15)
Extracurricular Activities	24,200	28,670	28,670	0
Intermediate Sources	6,358	378	378	0
Intergovernmental - State	6,229,730	6,256,820	6,256,819	(1)
Intergovernmental - Federal	0	12,904	12,904	0
All Other Revenues	33,000	10,643	10,971	328
Total Revenues	<u>11,523,273</u>	<u>11,954,384</u>	<u>11,954,906</u>	<u>522</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular Instruction	5,011,279	5,181,123	5,181,082	41
Special Instruction	904,487	987,009	987,009	0
Other Instruction	232,310	479,501	479,501	0
Support Services:				
Pupils	548,026	682,480	682,480	0
Instructional Staff	457,987	543,806	543,806	0
Board of Education	43,015	87,720	87,720	0
Administration	971,314	1,090,963	1,090,963	0
Fiscal Services	240,026	365,696	365,696	0
Business	2,102	2,147	2,147	0
Operation and Maintenance of Plant	979,709	1,459,535	1,459,535	0
Pupil Transportation	387,792	832,026	832,026	0
Central	234,488	457,110	457,110	0
Extracurricular Activities	33,418	255,958	255,958	0
Capital Outlay	3,000	22,020	22,020	0
Total Expenditures	<u>10,048,953</u>	<u>12,447,094</u>	<u>12,447,053</u>	<u>41</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,474,320	(492,710)	(492,147)	563

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	12,000	283,016	283,016	0
Advances In	0	14,343	14,343	0
Advances Out	0	(110,261)	(110,261)	0
Refund of Prior Year's Expenditures	0	73,604	73,604	0
Total Other Financing Sources (Uses):	<u>12,000</u>	<u>260,702</u>	<u>260,702</u>	<u>0</u>
Net Change in Fund Balance	1,486,320	(232,008)	(231,445)	563
Fund Balance at Beginning of Year	1,995,928	1,995,928	1,995,928	0
Prior Year Encumbrances	80,951	80,951	80,951	0
Fund Balance at End of Year	<u>\$ 3,563,199</u>	<u>\$ 1,844,871</u>	<u>\$ 1,845,434</u>	<u>\$ 563</u>

See accompanying notes to the basic financial statements

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Statement of Assets and Liabilities  
Fiduciary Funds  
June 30, 2011***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 48,722
<b>Total Assets</b>	<u>48,722</u>
<b>Liabilities:</b>	
Due to Students	<u>48,722</u>
<b>Total Liabilities</b>	<u>\$ 48,722</u>

See accompanying notes to the basic financial statements

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

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

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by 62 noncertified and 98 certified teaching personnel providing education to 1,622 students.

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

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

#### **B. Basis of Presentation - Fund Accounting**

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

The following fund types are used by the District:

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

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **B. Basis of Presentation - Fund Accounting** (Continued)

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

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

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

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

#### **C. Basis of Presentation – Financial Statements**

***Government-wide Financial Statements*** – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District only reports governmental type activities.

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

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **C. Basis of Presentation – Financial Statements (Continued)**

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

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

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

Fiduciary funds are reported using the economic resources measurement focus.

#### **D. Basis of Accounting**

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

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

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **D. Basis of Accounting** (Continued)

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

Current property taxes measurable at June 30, 2011, and which are not intended to finance fiscal 2011 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end.

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

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

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

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

#### **E. Budgetary Process**

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

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **E. Budgetary Process (Continued)**

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

#### **1. Tax Budget**

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

#### **2. Estimated Resources**

Prior to April 1, the Board accepts by formal resolution the tax rates as determined by the County Budget Commission, and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2011.

#### **3. Appropriations**

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

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Budgetary Process** (Continued)

##### **4. Lapsing of Appropriations**

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

##### **5. Budgetary Basis of Accounting**

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

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**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**5. Budgetary Basis of Accounting (Continued)**

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

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	(\$1,129,611)
Increase (Decrease):	
Accrued Revenues at June 30, 2011, received during FY 2012	(363,044)
Accrued Revenues at June 30, 2010, received during FY 2011	1,528,553
Accrued Expenditures at June 30, 2011, paid during FY 2012	1,042,691
Accrued Expenditures at June 30, 2010, paid during FY 2011	(1,073,191)
Interfund Activity FY 2011	(98,847)
Encumbrances Outstanding	(150,606)
Perspective Difference:	
Activity of Funds Reclassified For GAAP Reporting Purposes	12,610
Budget Basis	<u><u>(\$231,445)</u></u>

**F. Cash and Cash Equivalents**

Cash and cash equivalents includes all demand deposits and investments.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value except for nonparticipating investment contracts (repurchase agreement and certificates of deposit) which are reported at cost, which approximates fair value. See Note 5, "Cash, Cash Equivalents and Investments."

Under existing Ohio statutes, the Board of Education has, by resolution, specified the funds to receive allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2011 totaled \$7,357, which includes \$1,509 assigned from other District funds, and \$6,052 was credited to other funds of the District.

#### **H. Inventory**

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

#### **I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the current fiscal period are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. There were no prepaid items at June 30, 2011.

#### **J. Capital Assets and Depreciation**

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

##### **1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business-type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements. The District follows the policy of not capitalizing assets with a cost of less than \$5,000.

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation** (Continued)

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

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

2. Depreciation

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

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

**K. Long-Term Obligations**

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

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

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Compensated Absences**

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

**VACATION**

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

**SICK LEAVE**

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

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

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **M. Net Assets**

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

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

#### **N. Pensions**

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

#### **O. Interfund Transactions**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and eliminated in the Statement of Activities. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

#### **P. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **P. Fund Balance (Continued)**

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

***Committed*** - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education. Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education.

***Unassigned*** - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

##### **Q. Estimates**

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

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits** - The fund deficits at June 30, 2011 of \$33,637 in the Federal Stabilization Fund, \$7,516 in the Title I Fund, and \$406 in the Drug Free School Grant Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

#### **NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND BALANCE/NET ASSETS**

For fiscal 2011 the District implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”.

Statement No. 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a governments fund balances more transparent. It also clarifies the existing governmental fund type definitions. While the application of this new standard did not have an effect on total prior year fund balances, it did result in the reclassification of funds.

The District restated the Governmental Activities balances for an error in recording grants revenue at June 30, 2010 and also capital asset balances related to the school facilities construction and the subsequent appraisal of capital assets. The effects of the changes are detailed below:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Governmental Activities</u>
Fund Balance/Net Assets at June 30, 2010	\$2,559,219	\$1,128,101	\$25,123,728
Fund Reclassification	101,149	(101,149)	0
Grant Restatement	0	0	(3,885,890)
Capital Asset Restatement	0	0	962,313
Fund Balance/Net Assets, as Restated at June 30, 2010	<u>\$2,660,368</u>	<u>\$1,026,952</u>	<u>\$22,200,151</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

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**NOTE 4 – FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Bond Retirement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$0	\$0	\$0	\$15,305	\$15,305
Total Nonspendable	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,305</u>	<u>15,305</u>
Restricted:					
Food Services	0	0	0	224,352	224,352
Staff Development and Support	0	0	0	13,363	13,363
Extracurricular Activities	0	0	0	20,684	20,684
Technology Improvements	0	0	0	9,601	9,601
Targeted Academic Assistance	0	0	0	19,597	19,597
Debt Service Payments	0	393,884	0	0	393,884
Capital Acquisition and Improvement	0	0	50,506	447,029	497,535
Total Restricted	<u>0</u>	<u>393,884</u>	<u>50,506</u>	<u>734,626</u>	<u>1,179,016</u>
Assigned to Other Purposes	209,270	0	0	0	209,270
Unassigned	1,321,487	0	0	(41,559)	1,279,928
Total Fund Balances	<u>\$1,530,757</u>	<u>\$393,884</u>	<u>\$50,506</u>	<u>\$708,372</u>	<u>\$2,683,519</u>

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## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio), and
- Bonds of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is no default of principal, interest or coupons.

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

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

**A. Deposits**

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

At year end the carrying amount of the District's deposits was \$3,559,900 and the bank balance was \$3,633,418. The Federal Deposit Insurance Corporation (FDIC) covered \$750,000 of the bank balance and \$2,883,418 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	<u>\$2,883,418</u>
Total Balance	<u><u>\$2,883,418</u></u>

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 6 - TAXES**

#### **A. Property Tax**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2011 were levied after October 1, 2010 on assessed values as of January 1, 2010, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 2006, with equalization adjustments made in 2009. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Tangible personal property tax revenues received during calendar year 2011 (other than public utility property) represent the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010 on values as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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. House Bill No. 66 was to hold districts harmless by replacing a portion of the revenue lost by the District due to the phasing out of the tax. In fiscal years 2006-2009, the District was fully reimbursed for the lost revenue. In fiscal years after 2010, the District will not be reimbursed for the lost revenue.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Madison Local School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values, upon which taxes were collected in 2011, were based as follows:

Agricultural/Residential and Other Real Estate	\$155,365,960
Public Utility Personal	3,464,660
Total Assessed Value	<u>\$158,830,620</u>
Tax rate per \$1,000 of assessed valuation	\$38.14

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

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**NOTE 6 - TAXES** (Continued)

**B. Income Tax**

The District also receives a voted tax of 0.5 percent for general operations on the income of residents and of estates. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2011 consisted of taxes, accounts, intergovernmental and interfund receivables.

**NOTE 8 - INTERFUND BALANCES**

Following is a summary of interfund receivables/payables for all funds at June 30, 2011:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$125,825	\$0
Classroom Facilities Fund	0	106,272
Other Governmental Funds	2,683	22,236
Totals	<u>\$128,508</u>	<u>\$128,508</u>

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

### **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011**

#### **NOTE 9 - CAPITAL ASSETS**

Summary by category of changes in governmental activities capital assets at June 30, 2011:

<i>Historical Cost:</i>	Restated			
Class	June 30, 2010	Additions	Deletions	June 30, 2011
<b>Capital assets not being depreciated:</b>				
Land	\$290,152	\$0	\$0	\$290,152
Construction in Progress	14,268,392	4,815,161	(19,083,553)	0
<b>Capital assets being depreciated:</b>				
Land Improvements	1,875,211	119,484	0	1,994,695
Buildings	16,531,989	19,083,553	0	35,615,542
Furniture, Fixtures and Equipment	3,066,263	173,015	0	3,239,278
Vehicles	30,720	0	0	30,720
Total Cost	<u>\$36,062,727</u>	<u>\$24,191,213</u>	<u>(\$19,083,553)</u>	<u>\$41,170,387</u>
<b>Accumulated Depreciation:</b>				
Class	Restated			
Class	June 30, 2010	Additions	Deletions	June 30, 2011
Land Improvements	(\$889,773)	(\$110,566)	\$0	(\$1,000,339)
Buildings	(5,663,393)	(880,058)	0	(6,543,451)
Furniture, Fixtures and Equipment	(2,111,807)	(202,331)	0	(2,314,138)
Vehicles	(24,267)	(1,353)	0	(25,620)
Total Depreciation	<u>(\$8,689,240)</u>	<u>(\$1,194,308) *</u>	<u>\$0</u>	<u>(\$9,883,548)</u>
<b>Net Value:</b>	<u>\$27,373,487</u>			<u>\$31,286,839</u>

\* Depreciation expenses were charged to governmental functions as follows:

<b>Instruction:</b>	
Regular Instruction	\$789,340
Special Instruction	5,660
Vocational Instruction	2,351
<b>Support Services:</b>	
Pupils	8,129
Instructional Staff	16,030
Administration	92,312
Fiscal Services	2,110
Operations & Maintenance of Plant	186,854
Pupil Transportation	1,353
Central	5,704
<b>Operation of Noninstructional Services:</b>	
Food Services	46,279
Extracurricular Activities	38,186
Total Depreciation Expense	<u>\$1,194,308</u>

## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 10- DEFINED BENEFIT PENSION PLANS**

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

##### **A. School Employee Retirement System**

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$312,229, \$244,338 and \$132,915 respectively, which were equal to the required contributions for each year.

##### **B. State Teachers Retirement System**

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

## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 10- DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. State Teachers Retirement System (Continued)**

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2010, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$774,607, \$837,720, and \$704,305 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2011 were \$11,810 made by the District and \$8,436 made by the plan members.

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 11 - POSTEMPLOYMENT BENEFITS**

##### **A. School Employee Retirement System**

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan.

The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 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 2011, this amount was \$35,800.

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

The District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$37,806, \$8,028, and \$60,828 respectively; which were equal to the required contributions for each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$20,092, \$13,264, and \$10,145 respectively; which were equal to the required contributions for each year.

##### **B. State Teachers Retirement System**

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

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011**

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**B. State Teachers Retirement System (Continued)**

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District’s contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$59,585, \$59,837, and \$54,177 respectively; which were equal to the required contributions for each year.

**NOTE 12 - LONG-TERM DEBT AND OTHER OBLIGATIONS**

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended June 30, 2011 are as follows:

		Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011	Amount Due Within One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
1999 General Obligation Bond	4.25-5.75%	\$519,943	\$0	\$0	\$519,943	\$143,978
2000 General Obligation Bond	4.5-5.60%	304,994	0	(105,000)	199,994	0
2006 General Obligation Bond	4.0-4.05%	8,004,993	0	(450,000)	7,554,993	15,000
2007 General Obligation Bond	4.0-4.125%	1,854,998	0	(25,000)	1,829,998	58,734
Sub-Total General Obligation Bonds		10,684,928	0	(580,000)	10,104,928	217,712
Premium on General Obligation Bonds		649,500	0	(38,206)	611,294	38,206
Deferred Loss on Defeasance		(400,872)	0	68,835	(332,037)	(68,835)
Accretion on Capital Appreciation Bonds		158,880	75,338	0	234,218	0
Total General Obligation Bonds		11,092,436	75,338	(549,371)	10,618,403	187,083
Capital Leases		3,220,102	0	(133,796)	3,086,306	136,369
Compensated Absences		150,410	134,842	(150,410)	134,842	7,828
Total Long-Term Obligations		\$14,462,948	\$210,180	(\$833,577)	\$13,839,551	\$331,280

# **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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### **NOTE 12 - LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

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

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

#### **A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2011, follows:

<u>Years</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$217,712	\$799,156
2013	192,615	936,304
2014	181,417	881,614
2015	169,226	737,275
2016	93,744	943,808
2017 - 2021	2,715,214	2,679,104
2022 - 2026	5,315,000	809,635
2027	1,220,000	24,566
Totals	<u>\$10,104,928</u>	<u>\$7,811,462</u>

#### **B. Defeased Debt**

In November 2006, the District partially refunded \$8,300,000 of General Obligation Bonds for School Improvement Series 1999, dated October 1, 1999, through the issuance of \$8,299,993 of General Obligation Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$8,010,000 at June 30, 2011, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 12 - LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

##### **B. Defeased Debt (Continued)**

In March 2007, the District partially refunded \$1,955,000 of General Obligation Bonds for School Improvement Series 2000, dated November 27, 2000, through the issuance of \$1,954,998 of General Obligation Bonds. The net proceeds of the 2007 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,955,000, at June 30, 2011, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

#### **NOTE 13 - CAPITAL LEASE COMMITMENTS**

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

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2011:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2012	\$290,767
2013	235,807
2014	233,183
2015	228,089
2016	228,725
2017-2021	1,053,758
2022-2026	992,078
2027-2031	985,768
2032-2036	974,976
2037	193,866
Minimum Lease Payments	5,417,017
Less: Amount representing interest at the District's incremental borrowing rate of interest	(2,330,711)
Present Value of minimum lease payments	<u>\$3,086,306</u>

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 14 - STATUTORY RESERVES**

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

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

	Textbook Reserve	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2010	(\$343,399)	\$0
Current Year Set-Aside Requirement	232,740	232,740
Set-aside Cash Balance as of June 30, 2011	(110,659)	232,740
Qualifying Disbursements	(415,057)	(546,509)
Set-aside Reserve Balance as of June 30, 2011	\$0	\$0
Set-aside balance carried forward to future fiscal years	(\$525,716)	\$0

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

#### **NOTE 15 - JOINTLY GOVERNED ORGANIZATION**

The Southwest Ohio Computer Association (SWOCA), a jointly governed organization, was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the four county consortium supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of one representative from each four districts plus one representative from the fiscal agent. The degree of control exercised by any participating school district is limited to its representation on the Board. During the 2011 fiscal year the District paid \$87,975 to SWOCA for services. To obtain financial information, write to the Southwestern Ohio Computer Association, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011***

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#### **NOTE 16 - RISK MANAGEMENT**

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

#### **NOTE 17 - CONTINGENCIES**

##### **A. Grants**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2011.

##### **B. Litigation**

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2011.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

# ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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## ***Nonmajor Governmental Funds***

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### ***Special Revenue Funds***

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

#### **Food Services Fund**

To account for financial transactions associated with food service operations.

#### **Special Trust Fund**

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

#### **Uniform School Supply Fund**

To account for the purchase and sale of school supplies. Profits derived from sales must be used for school purposes or activities. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

#### **Public School Fund**

To support the various needs of the school such as supplies and equipment for use in the school; for support and recognition of school activities as deemed appropriate by the building principal. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

#### **Other Grant Fund**

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

#### **Special Enterprise Fund**

To account for the financial transactions related to the after school child care program, which operates on a fee for service basis. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

#### **Classroom Facilities Maintenance Fund**

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

#### **Athletic Fund**

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

(Continued)

# ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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## ***Special Revenue Funds***

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### **Management Information System Fund**

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

### **Entry Year Programs Fund**

To account for State grant monies to be used for Entry Year Teacher Program costs. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

### **Data Communication Fund**

To account for monies received for the maintenance of the Ohio Educational Computer Network connections. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

### **Education Jobs Fund**

To account for monies received through a grant to save or create educational jobs. Jobs funded under this program include those that provide educational and related services for early childhood, elementary and secondary education.

### **IDEA, Part B Fund**

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

### **Federal Stabilization Fund**

To account for monies received through a grant to create and save jobs and to advance education reforms.

### **Title II-D Technology Fund**

To account for monies received through a grant to improve student academic achievement through the effective use of technology in schools.

### **Title I School improvement Fund**

To account for monies received through a grant to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging State academic achievement standards and state academic assessments. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

### **Title I Fund**

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

### **Drug-Free School Grant Fund**

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

(Continued)

## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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### ***Special Revenue Funds***

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#### **IDEA Preschool Grant Fund**

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

#### **Improving Teacher Quality Fund**

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

### ***Capital Projects Funds***

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

#### **Permanent Improvement Fund**

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

#### **Building Fund**

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

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011**

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 478,409	\$ 392,493	\$ 870,902
Receivables:			
Taxes	0	612,839	612,839
Accounts	9,350	0	9,350
Intergovernmental	113,437	0	113,437
Interfund Loans Receivable	2,683	0	2,683
Inventory Held for Resale	15,305	0	15,305
<b>Total Assets</b>	<u>\$ 619,184</u>	<u>\$ 1,005,332</u>	<u>\$ 1,624,516</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 45,053	\$ 40,632	\$ 85,685
Accrued Wages and Benefits	153,771	0	153,771
Interfund Loans Payable	4,236	18,000	22,236
Deferred Revenue	41,613	612,839	654,452
<b>Total Liabilities</b>	<u>244,673</u>	<u>671,471</u>	<u>916,144</u>
<b>Fund Balances:</b>			
Nonspendable	15,305	0	15,305
Restricted	400,765	333,861	734,626
Unassigned	(41,559)	0	(41,559)
<b>Total Fund Balances</b>	<u>374,511</u>	<u>333,861</u>	<u>708,372</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 619,184</u>	<u>\$ 1,005,332</u>	<u>\$ 1,624,516</u>

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

### **Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 81,837	\$ 511,063	\$ 592,900
Interest	628	2,589	3,217
Food Services	462,168	0	462,168
Extracurricular Activities	88,749	0	88,749
Receipts from Intermediate Sources	27,240	0	27,240
Intergovernmental - State	87,552	83,028	170,580
Intergovernmental - Federal	1,541,665	0	1,541,665
Miscellaneous	46,365	25,000	71,365
<b>Total Revenue</b>	<b>2,336,204</b>	<b>621,680</b>	<b>2,957,884</b>
<b>Expenditures:</b>			
Current:			
Regular	621,117	342,056	963,173
Special	194,340	0	194,340
Other Instruction	30,348	0	30,348
Supporting Services:			
Pupils	41,000	0	41,000
Instructional Staff	377,343	46,200	423,543
Administration	71,023	6,236	77,259
Operation and Maintenance of Plant	88,616	46,860	135,476
Pupil Transportation	52,534	136	52,670
Central	8,495	5,362	13,857
Operation of Non-Instructional:			
Food Service Operations	641,383	0	641,383
Extracurricular Activities	127,580	10,047	137,627
Capital Outlay	19,125	255,333	274,458
Debt Service:			
Principal Retirement	0	133,796	133,796
Interest and Fiscal Charges	0	161,540	161,540
<b>Total Expenditures</b>	<b>2,272,904</b>	<b>1,007,566</b>	<b>3,280,470</b>
Excess (Deficiency) of Revenues Over Expenditures			
	63,300	(385,886)	(322,586)
<b>Fund Balances at Beginning of Year</b>	<b>307,205</b>	<b>719,747</b>	<b>1,026,952</b>
Increase in Inventory Reserve	4,006	0	4,006
<b>Fund Balances End of Year</b>	<b>\$ 374,511</b>	<b>\$ 333,861</b>	<b>\$ 708,372</b>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011**

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	<u>Food Services</u>	<u>Special Trust</u>	<u>Other Grant</u>	<u>Classroom Facilities Maintenance</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 262,295	\$ 8,623	\$ 7,662	\$ 113,168
Receivables:				
Accounts	0	0	9,350	0
Intergovernmental	1,379	0	0	0
Interfund Loans Receivable	0	0	0	0
Inventory Held for Resale	15,305	0	0	0
<b>Total Assets</b>	<u>\$ 278,979</u>	<u>\$ 8,623</u>	<u>\$ 17,012</u>	<u>\$ 113,168</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 7,319	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	32,003	0	0	0
Interfund Loans Payable	0	0	3,830	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<u>39,322</u>	<u>0</u>	<u>3,830</u>	<u>0</u>
<b>Fund Balances:</b>				
Nonspendable	15,305	0	0	0
Restricted	224,352	8,623	13,182	113,168
Unassigned	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<u>239,657</u>	<u>8,623</u>	<u>13,182</u>	<u>113,168</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 278,979</u>	<u>\$ 8,623</u>	<u>\$ 17,012</u>	<u>\$ 113,168</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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Athletic	Management Information System	Education Jobs	IDEA, Part B	Federal Stabilization	Title II-D Technology
\$ 25,358	\$ 9,294	\$ 34,000	\$ 9,898	\$ 0	\$ 307
0	0	0	0	0	0
0	0	0	76,842	0	249
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 25,358</u>	<u>\$ 9,294</u>	<u>\$ 34,000</u>	<u>\$ 86,740</u>	<u>\$ 0</u>	<u>\$ 556</u>
\$ 13,297	\$ 0	\$ 21,087	\$ 3,350	\$ 0	\$ 0
0	0	0	47,966	33,637	0
0	0	0	0	0	0
0	0	0	30,509	0	249
<u>13,297</u>	<u>0</u>	<u>21,087</u>	<u>81,825</u>	<u>33,637</u>	<u>249</u>
0	0	0	0	0	0
12,061	9,294	12,913	4,915	0	307
0	0	0	0	(33,637)	0
<u>12,061</u>	<u>9,294</u>	<u>12,913</u>	<u>4,915</u>	<u>(33,637)</u>	<u>307</u>
<u>\$ 25,358</u>	<u>\$ 9,294</u>	<u>\$ 34,000</u>	<u>\$ 86,740</u>	<u>\$ 0</u>	<u>\$ 556</u>

(Continued)

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011**

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	<u>Title I</u>	<u>Drug-Free School Grant</u>	<u>IDEA Preschool Grant</u>	<u>Improving Teacher Quality</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,020	\$ 0	\$ 1,500	\$ 4,284
Receivables:				
Accounts	0	0	0	0
Intergovernmental	23,224	0	66	11,677
Interfund Loans Receivable	2,683	0	0	0
Inventory Held for Resale	0	0	0	0
<b>Total Assets</b>	<u>\$ 27,927</u>	<u>\$ 0</u>	<u>\$ 1,566</u>	<u>\$ 15,961</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	31,938	0	0	8,227
Interfund Loans Payable	0	406	0	0
Deferred Revenue	3,505	0	66	7,284
<b>Total Liabilities</b>	<u>35,443</u>	<u>406</u>	<u>66</u>	<u>15,511</u>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	0	0	1,500	450
Unassigned	(7,516)	(406)	0	0
<b>Total Fund Balances (Deficit)</b>	<u>(7,516)</u>	<u>(406)</u>	<u>1,500</u>	<u>450</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 27,927</u>	<u>\$ 0</u>	<u>\$ 1,566</u>	<u>\$ 15,961</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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Total Nonmajor  
Special Revenue  
Funds

\$ 478,409

9,350

113,437

2,683

15,305

\$ 619,184

\$ 45,053

153,771

4,236

41,613

244,673

15,305

400,765

(41,559)

374,511

\$ 619,184

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

	<u>Food Services</u>	<u>Special Trust</u>	<u>Other Grant</u>	<u>Classroom Facilities Maintenance</u>
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 81,837
Interest	608	20	0	0
Food Services	462,168	0	0	0
Extracurricular Activities	0	0	6,265	0
Receipts from Intermediate Sources	0	0	27,240	0
Intergovernmental - State	50,334	0	0	25,393
Intergovernmental - Federal	193,248	0	0	0
Miscellaneous	0	150	24,676	1,565
<b>Total Revenue</b>	<u>706,358</u>	<u>170</u>	<u>58,181</u>	<u>108,795</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	0	33,167	0
Special	0	0	0	0
Other Instruction	0	0	0	0
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	81,187
Pupil Transportation	0	0	1,097	0
Central	0	0	1,670	0
Operation of Non-Instructional:				
Food Service Operations	641,383	0	0	0
Extracurricular Activities	0	1,095	8,707	0
Capital Outlay	0	0	0	19,125
<b>Total Expenditures</b>	<u>641,383</u>	<u>1,095</u>	<u>44,641</u>	<u>100,312</u>
Excess (Deficiency) of Revenues				
Over Expenditures	64,975	(925)	13,540	8,483
<b>Fund Balances at Beginning of Year</b>	170,676	9,548	(358)	104,685
Increase in Inventory Reserve	4,006	0	0	0
<b>Fund Balances End of Year</b>	<u>\$ 239,657</u>	<u>\$ 8,623</u>	<u>\$ 13,182</u>	<u>\$ 113,168</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

Athletic	Management Information System	Entry Year Programs	Data Communication	Education Jobs	IDEA, Part B
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
82,484	0	0	0	0	0
0	0	0	0	0	0
0	5,000	0	6,825	0	0
0	0	0	0	34,000	491,980
19,974	0	0	0	0	0
<u>102,458</u>	<u>5,000</u>	<u>0</u>	<u>6,825</u>	<u>34,000</u>	<u>491,980</u>
0	0	244	0	0	0
0	0	0	0	0	190,443
0	0	0	0	0	0
0	0	0	0	0	14,000
0	0	0	0	21,087	299,190
0	0	0	0	0	0
3,502	3,927	0	0	0	0
0	0	0	0	0	0
0	0	0	6,825	0	0
0	0	0	0	0	0
117,778	0	0	0	0	0
0	0	0	0	0	0
<u>121,280</u>	<u>3,927</u>	<u>244</u>	<u>6,825</u>	<u>21,087</u>	<u>503,633</u>
(18,822)	1,073	(244)	0	12,913	(11,653)
30,883	8,221	244	0	0	16,568
0	0	0	0	0	0
<u>\$ 12,061</u>	<u>\$ 9,294</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,913</u>	<u>\$ 4,915</u>

(Continued)

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

	Federal Stabilization	Title II-D Technology	Title I School Improvement	Title I
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Interest	0	0	0	0
Food Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Receipts from Intermediate Sources	0	0	0	0
Intergovernmental - State	0	0	0	0
Intergovernmental - Federal	472,206	923	0	278,782
Miscellaneous	0	0	0	0
<b>Total Revenue</b>	<u>472,206</u>	<u>923</u>	<u>0</u>	<u>278,782</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	301,210	0	0	215,753
Special	0	0	0	0
Other Instruction	30,348	0	0	0
Supporting Services:				
Pupils	0	0	0	25,000
Instructional Staff	0	808	2,400	43,019
Administration	71,023	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	51,437	0	0	0
Central	0	0	0	0
Operation of Non-Instructional:				
Food Service Operations	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<u>454,018</u>	<u>808</u>	<u>2,400</u>	<u>283,772</u>
Excess (Deficiency) of Revenues				
Over Expenditures	18,188	115	(2,400)	(4,990)
<b>Fund Balances at Beginning of Year</b>	(51,825)	192	2,400	(2,526)
Increase in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<u>\$ (33,637)</u>	<u>\$ 307</u>	<u>\$ 0</u>	<u>\$ (7,516)</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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Drug-Free School Grant	IDEA Preschool Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 81,837
0	0	0	628
0	0	0	462,168
0	0	0	88,749
0	0	0	27,240
0	0	0	87,552
5,524	8,444	56,558	1,541,665
<u>0</u>	<u>0</u>	<u>0</u>	<u>46,365</u>
<u>5,524</u>	<u>8,444</u>	<u>56,558</u>	<u>2,336,204</u>
435	16,102	54,206	621,117
0	3,897	0	194,340
0	0	0	30,348
0	2,000	0	41,000
4,968	919	4,952	377,343
0	0	0	71,023
0	0	0	88,616
0	0	0	52,534
0	0	0	8,495
0	0	0	641,383
0	0	0	127,580
<u>0</u>	<u>0</u>	<u>0</u>	<u>19,125</u>
<u>5,403</u>	<u>22,918</u>	<u>59,158</u>	<u>2,272,904</u>
121	(14,474)	(2,600)	63,300
(527)	15,974	3,050	307,205
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,006</u>
<u>\$ (406)</u>	<u>\$ 1,500</u>	<u>\$ 450</u>	<u>\$ 374,511</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2011**

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	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 79,921	\$ 312,572	\$ 392,493
Receivables:			
Taxes	612,839	0	612,839
<b>Total Assets</b>	<u>\$ 692,760</u>	<u>\$ 312,572</u>	<u>\$ 1,005,332</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 40,632	\$ 0	\$ 40,632
Interfund Loans Payable	18,000	0	18,000
Deferred Revenue	612,839	0	612,839
<b>Total Liabilities</b>	<u>671,471</u>	<u>0</u>	<u>671,471</u>
<b>Fund Balances:</b>			
Restricted	21,289	312,572	333,861
<b>Total Fund Balances</b>	<u>21,289</u>	<u>312,572</u>	<u>333,861</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 692,760</u>	<u>\$ 312,572</u>	<u>\$ 1,005,332</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2011**

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	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Taxes	\$ 511,063	\$ 0	\$ 511,063
Interest	0	2,589	2,589
Intergovernmental - State	83,028	0	83,028
Miscellaneous	25,000	0	25,000
<b>Total Revenue</b>	<u>619,091</u>	<u>2,589</u>	<u>621,680</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	224,738	117,318	342,056
Supporting Services:			
Instructional Staff	46,200	0	46,200
Administration	6,236	0	6,236
Operation and Maintenance of Plant	46,721	139	46,860
Pupil Transportation	136	0	136
Central	5,362	0	5,362
Extracurricular Activities	10,047	0	10,047
Capital Outlay	14,311	241,022	255,333
Debt Service:			
Principal Retirement	133,796	0	133,796
Interest and Fiscal Charges	161,540	0	161,540
<b>Total Expenditures</b>	<u>649,087</u>	<u>358,479</u>	<u>1,007,566</u>
Net Change in Fund Balance	(29,996)	(355,890)	(385,886)
<b>Fund Balances at Beginning of Year</b>	<u>51,285</u>	<u>668,462</u>	<u>719,747</u>
<b>Fund Balances End of Year</b>	<u>\$ 21,289</u>	<u>\$ 312,572</u>	<u>\$ 333,861</u>

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Governmental Fund – General Fund  
For the Fiscal Year Ended June 30, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 4,350,386	\$ 4,723,277	\$ 4,723,277	\$ 0
Tuition and Fees	849,599	914,320	914,530	210
Interest	30,000	7,372	7,357	(15)
Extracurricular Activities	24,200	28,670	28,670	0
Intermediate Sources	6,358	378	378	0
Intergovernmental - State	6,229,730	6,256,820	6,256,819	(1)
Intergovernmental - Federal	0	12,904	12,904	0
Miscellaneous	33,000	10,643	10,971	328
Total Revenues	<u>11,523,273</u>	<u>11,954,384</u>	<u>11,954,906</u>	<u>522</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,740,297	3,767,311	3,767,270	41
Fringe Benefits	1,190,335	1,261,623	1,261,623	0
Purchased Services	23,592	36,293	36,293	0
Supplies and Materials	57,003	105,339	105,339	0
Capital Outlay	52	10,557	10,557	0
Total Regular	<u>5,011,279</u>	<u>5,181,123</u>	<u>5,181,082</u>	<u>41</u>
Special:				
Salaries and Wages	629,787	635,975	635,975	0
Fringe Benefits	199,485	186,273	186,273	0
Purchased Services	66,172	145,335	145,335	0
Supplies and Materials	5,046	13,726	13,726	0
Capital Outlay	3,997	5,700	5,700	0
Total Special	<u>904,487</u>	<u>987,009</u>	<u>987,009</u>	<u>0</u>
Other Instruction:				
Salaries and Wages	5,292	925	925	0
Purchased Services	227,018	478,576	478,576	0
Total Other	<u>232,310</u>	<u>479,501</u>	<u>479,501</u>	<u>0</u>
Total Instruction	<u>6,148,076</u>	<u>6,647,633</u>	<u>6,647,592</u>	<u>41</u>

(Continued)

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Governmental Fund – General Fund  
For the Fiscal Year Ended June 30, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Support Services:				
Pupils:				
Salaries and Wages	342,954	318,827	318,827	0
Fringe Benefits	106,609	145,544	145,544	0
Purchased Services	94,250	207,414	207,414	0
Supplies and Materials	4,213	10,695	10,695	0
Total Pupils	<u>548,026</u>	<u>682,480</u>	<u>682,480</u>	<u>0</u>
Instructional Staff:				
Salaries and Wages	307,082	312,603	312,603	0
Fringe Benefits	121,195	147,116	147,116	0
Purchased Services	7,560	57,518	57,518	0
Supplies and Materials	3,123	7,670	7,670	0
Other Expenditures	5,775	5,775	5,775	0
Capital Outlay	13,252	13,124	13,124	0
Total Instructional Staff	<u>457,987</u>	<u>543,806</u>	<u>543,806</u>	<u>0</u>
Board of Education:				
Salaries and Wages	14,808	15,600	15,600	0
Fringe Benefits	4,452	2,978	2,978	0
Purchased Services	23,087	60,166	60,166	0
Supplies and Materials	668	781	781	0
Other Expenditures	0	8,195	8,195	0
Total Board of Education	<u>43,015</u>	<u>87,720</u>	<u>87,720</u>	<u>0</u>
Administration:				
Salaries and Wages	708,268	733,585	733,585	0
Fringe Benefits	249,528	326,704	326,704	0
Purchased Services	6,055	12,158	12,158	0
Supplies and Materials	7,463	15,289	15,289	0
Other Expenditures	0	1,509	1,509	0
Capital Outlay	0	1,718	1,718	0
Total Administration	<u>971,314</u>	<u>1,090,963</u>	<u>1,090,963</u>	<u>0</u>

(Continued)

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Governmental Fund – General Fund  
For the Fiscal Year Ended June 30, 2011***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Fiscal:</b>				
Salaries and Wages	172,735	141,719	141,719	0
Fringe Benefits	58,774	59,777	59,777	0
Purchased Services	1,122	3,107	3,107	0
Supplies and Materials	3,125	5,863	5,863	0
Other Expenditures	4,270	155,230	155,230	0
Total Fiscal	<u>240,026</u>	<u>365,696</u>	<u>365,696</u>	<u>0</u>
<b>Business:</b>				
Purchased Services	2,102	2,147	2,147	0
Total Business	<u>2,102</u>	<u>2,147</u>	<u>2,147</u>	<u>0</u>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	412,747	394,600	394,600	0
Fringe Benefits	169,412	170,818	170,818	0
Purchased Services	360,157	821,483	821,483	0
Supplies and Materials	37,088	71,949	71,949	0
Other Expenditures	0	247	247	0
Capital Outlay	305	438	438	0
Total Operation and Maintenance Of Plant	<u>979,709</u>	<u>1,459,535</u>	<u>1,459,535</u>	<u>0</u>
<b>Pupil Transportation:</b>				
Salaries and Wages	18,458	5,361	5,361	0
Fringe Benefits	4,599	877	877	0
Purchased Services	329,363	778,967	778,967	0
Supplies and Materials	35,372	46,821	46,821	0
Total Pupil Transportation	<u>387,792</u>	<u>832,026</u>	<u>832,026</u>	<u>0</u>
<b>Central:</b>				
Salaries and Wages	102,746	99,628	99,628	0
Fringe Benefits	112,099	194,689	194,689	0
Purchased Services	19,499	27,854	27,854	0
Supplies and Materials	29	73	73	0
Other Expenditures	0	133,899	133,899	0
Capital Outlay	115	967	967	0
Total Central	<u>234,488</u>	<u>457,110</u>	<u>457,110</u>	<u>0</u>
Total Support Services	<u>3,864,459</u>	<u>5,521,483</u>	<u>5,521,483</u>	<u>0</u>

(Continued)

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Governmental Fund – General Fund  
For the Fiscal Year Ended June 30, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Extracurricular Activities:				
Salaries and Wages	26,703	219,985	219,985	0
Fringe Benefits	6,715	35,973	35,973	0
Total Extracurricular Activities	<u>33,418</u>	<u>255,958</u>	<u>255,958</u>	<u>0</u>
Capital Outlay:				
Capital Outlay	3,000	22,020	22,020	0
Total Capital Outlay	<u>3,000</u>	<u>22,020</u>	<u>22,020</u>	<u>0</u>
Total Expenditures	<u>10,048,953</u>	<u>12,447,094</u>	<u>12,447,053</u>	<u>41</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,474,320	(492,710)	(492,147)	563
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	12,000	283,016	283,016	0
Advances In	0	14,343	14,343	0
Advances Out	0	(110,261)	(110,261)	0
Refund of Prior Year's Expenditures	0	73,604	73,604	0
Total Other Financing Sources (Uses)	<u>12,000</u>	<u>260,702</u>	<u>260,702</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,486,320	(232,008)	(231,445)	563
Fund Balance at Beginning of Year	1,995,928	1,995,928	1,995,928	0
Prior Year Encumbrances	80,951	80,951	80,951	0
Fund Balance at End of Year	<u>\$ 3,563,199</u>	<u>\$ 1,844,871</u>	<u>\$ 1,845,434</u>	<u>\$ 563</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Governmental Fund – Debt Service Fund  
For the Fiscal Year Ended June 30, 2011**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 867,700	\$ 867,700	\$ 0
Intergovernmental - State	140,797	140,797	0
Total Revenues	1,008,497	1,008,497	0
<b>Expenditures:</b>			
Current:			
Support Services:			
Central:			
Other Expenditures	14,032	14,032	0
Total Support Services	14,032	14,032	0
Debt Service:			
Principal Retirement	580,000	580,000	0
Interest and Fiscal Charges	382,463	379,423	3,040
Total Expenditures	976,495	973,455	3,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,002	35,042	3,040
Fund Balance at Beginning of Year	358,842	358,842	0
Fund Balance at End of Year	\$ 390,844	\$ 393,884	\$ 3,040

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Governmental Fund – Capital Project Fund  
For the Fiscal Year Ended June 30, 2011**

**CLASSROOM FACILITIES FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Interest	\$ 2,823	\$ 2,835	\$ 12
Total Revenues	2,823	2,835	12
<b>Expenditures:</b>			
Support Services:			
Central:			
Purchased Services	558	558	0
Total Support Services	558	558	0
Capital Outlay:			
Purchased Services	48,333	48,333	0
Capital Outlay	5,056,236	4,957,953	98,283
Total Capital Outlay	5,104,569	5,006,286	98,283
Total Expenditures	5,105,127	5,006,844	98,283
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(5,102,304)	(5,004,009)	98,295
<b>Other Financing Sources (Uses):</b>			
Advances In	106,272	106,272	0
Refund of Prior Year's Expenditures	50,661	50,661	0
Total Other Financing Sources (Uses)	156,933	156,933	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)			
Expenditures and Other Financing Uses	(4,945,371)	(4,847,076)	98,295
Fund Balance at Beginning of Year	3,485,508	3,485,508	0
Prior Year Encumbrances	1,459,863	1,459,863	0
Fund Balance at End of Year	\$ 0	\$ 98,295	\$ 98,295

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

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<b>FOOD SERVICES FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Interest	\$ 0	\$ 608	\$ 608
Sales	462,168	462,168	0
Intergovernmental - State	50,334	50,334	0
Intergovernmental - Federal	191,869	191,869	0
Total Revenues	704,371	704,979	608
<b>Expenditures:</b>			
Current:			
Non-Instructional:			
Food Service Operations:			
Salaries and Wages	211,257	211,080	177
Fringe Benefits	56,079	56,079	0
Purchased Services	53,287	28,914	24,373
Supplies and Materials	535,623	338,084	197,539
Capital Outlay	9,014	9,014	0
Total Expenditures	865,260	643,171	222,089
Excess (Deficiency) of Revenues Over (Under) Expenditures	(160,889)	61,808	222,697
Fund Balance at Beginning of Year	192,789	192,789	0
Prior Year Encumbrances	2,919	2,919	0
Fund Balance at End of Year	\$ 34,819	\$ 257,516	\$ 222,697

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

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	SPECIAL TRUST FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Interest	\$ 0	\$ 20	\$ 20
Miscellaneous	150	150	0
Total Revenues	<u>150</u>	<u>170</u>	<u>20</u>
<b>Expenditures:</b>			
Current:			
Extracurricular Activities:			
Supplies and Materials	2,321	795	1,526
Other Expenditures	7,377	300	7,077
Total Expenditures	<u>9,698</u>	<u>1,095</u>	<u>8,603</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,548)	(925)	8,623
Fund Balance at Beginning of Year	9,548	9,548	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 8,623</u>	<u>\$ 8,623</u>

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

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### UNIFORM SCHOOL SUPPLY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Classroom Material and Fees	\$ 49,844	\$ 52,595	\$ 2,751
Total Revenues	<u>49,844</u>	<u>52,595</u>	<u>2,751</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Supplies and Materials	<u>65,301</u>	<u>57,736</u>	<u>7,565</u>
Total Expenditures	<u>65,301</u>	<u>57,736</u>	<u>7,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,457)	(5,141)	10,316
Fund Balance at Beginning of Year	24,994	24,994	0
Prior Year Encumbrances	<u>348</u>	<u>348</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,885</u>	<u>\$ 20,201</u>	<u>\$ 10,316</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

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<b>PUBLIC SCHOOL FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Extracurricular Activities	\$ 29,210	\$ 30,117	\$ 907
Miscellaneous	85	85	0
Total Revenues	<u>29,295</u>	<u>30,202</u>	<u>907</u>
<b>Expenditures:</b>			
Current:			
Extracurricular Activities:			
Other Expenditures	<u>60,085</u>	<u>38,417</u>	<u>21,668</u>
Total Expenditures	<u>60,085</u>	<u>38,417</u>	<u>21,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,790)	(8,215)	22,575
Fund Balance at Beginning of Year	28,381	28,381	0
Prior Year Encumbrances	<u>2,409</u>	<u>2,409</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 22,575</u>	<u>\$ 22,575</u>

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

<b>OTHER GRANTS FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Extracurricular Activities	\$ 6,265	\$ 6,265	\$ 0
Receipts from Intermediate Sources	27,240	27,240	0
Miscellaneous	14,201	15,326	1,125
Total Revenues	<u>47,706</u>	<u>48,831</u>	<u>1,125</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	1,840	1,515	325
Supplies and Materials	11,273	9,494	1,779
Other Expenditures	75	0	75
Capital Outlay	24,240	24,128	112
Total Regular	<u>37,428</u>	<u>35,137</u>	<u>2,291</u>
Special:			
Capital Outlay	2,000	1,996	4
Total Special	<u>2,000</u>	<u>1,996</u>	<u>4</u>
Total Instruction	<u>39,428</u>	<u>37,133</u>	<u>2,295</u>
Support Services:			
Pupil Transportation:			
Purchased Services	1,097	1,097	0
Total Pupil Transportation	<u>1,097</u>	<u>1,097</u>	<u>0</u>
Central:			
Supplies and Materials	1,881	1,670	211
Total Central	<u>1,881</u>	<u>1,670</u>	<u>211</u>
Total Support Services	<u>2,978</u>	<u>2,767</u>	<u>211</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER GRANTS FUND</b>			
Extracurricular Activities:			
Other Expenditures	5,772	5,772	0
Capital Outlay	3,000	2,935	65
Total Extracurricular Activities	<u>8,772</u>	<u>8,707</u>	<u>65</u>
Total Expenditures	<u>51,178</u>	<u>48,607</u>	<u>2,571</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,472)	224	3,696
<b>Other Financing Sources (Uses):</b>			
Advances In	3,830	3,830	0
Advances Out	(1,173)	(1,173)	0
Total Other Financing Sources (Uses)	<u>2,657</u>	<u>2,657</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(815)	2,881	3,696
Fund Balance at Beginning of Year	815	815	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 3,696</u>	<u>\$ 3,696</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

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<b>SPECIAL ENTERPRISE FUND</b>			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Miscellaneous	\$ 30,590	\$ 31,754	\$ 1,164
Total Revenues	30,590	31,754	1,164
<b>Expenditures:</b>			
Current:			
Operation of Non-Instructional:			
Community Services:			
Salaries and Wages	32,889	21,710	11,179
Fringe Benefits	3,737	3,683	54
Supplies and Materials	38,981	6,310	32,671
Total Expenditures	75,607	31,703	43,904
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,017)	51	45,068
Fund Balance at Beginning of Year	45,017	45,017	0
Fund Balance at End of Year	\$ 0	\$ 45,068	\$ 45,068

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

### CLASSROOM FACILITIES MAINTENANCE FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 81,837	\$ 81,837	\$ 0
Intergovernmental - State	25,393	25,393	0
Total Revenues	107,230	107,230	0
<b>Expenditures:</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Contractual Services	168,507	79,069	89,438
Supplies and Materials	3,293	3,293	0
Other Expenditures	200	200	0
Capital Outlay	6,191	6,191	0
Total Support Services	178,191	88,753	89,438
Capital Outlay:			
Capital Outlay	35,289	19,125	16,164
Total Capital Outlay	35,289	19,125	16,164
Total Expenditures	213,480	107,878	105,602
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(106,250)	(648)	105,602
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	1,565	1,565	0
Total Other Financing Sources (Uses)	1,565	1,565	0
Excess (Deficiency) of Revenues			
and Other Financing Sources Over (Under)			
Expenditures and Other Financing Uses	(104,685)	917	105,602
Fund Balance at Beginning of Year	83,680	83,680	0
Prior Year Encumbrances	21,005	21,005	0
Fund Balance at End of Year	\$ 0	\$ 105,602	\$ 105,602

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

<b>ATHLETIC FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Extracurricular Activities	\$ 82,484	\$ 82,484	\$ 0
Miscellaneous	19,974	19,974	0
Total Revenues	102,458	102,458	0
<b>Expenditures:</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Salaries and Wages	702	702	0
Fringe Benefits	344	0	344
Purchased Services	2,800	2,800	0
Total Support Services	3,846	3,502	344
Extracurricular Activities:			
Purchased Services	6,659	5,391	1,268
Supplies and Materials	17,074	15,024	2,050
Other Expenditures	70,739	57,597	13,142
Capital Outlay	28,815	27,629	1,186
Total Extracurricular Activities	123,287	105,641	17,646
Capital Outlay:			
Capital Outlay	500	0	500
Total Capital Outlay	500	0	500
Total Expenditures	127,633	109,143	18,490
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(25,175)	(6,685)	18,490
Fund Balance at Beginning of Year			
Prior Year Encumbrances	100	100	0
Fund Balance at End of Year	\$ 6,553	\$ 25,043	\$ 18,490

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

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### MANAGEMENT INFORMATION SYSTEM FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - State	\$ 5,000	\$ 5,000	\$ 0
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	11,816	2,523	9,293
Supplies and Materials	1,209	1,209	0
Capital Outlay	195	195	0
Total Expenditures	<u>13,220</u>	<u>3,927</u>	<u>9,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,220)	1,073	9,293
Fund Balance at Beginning of Year	8,221	8,221	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 9,294</u>	<u>\$ 9,293</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

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<b>ENTRY YEAR PROGRAMS FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	244	244	0
Total Expenditures	244	244	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(244)	(244)	0
Fund Balance at Beginning of Year	244	244	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

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**DATA COMMUNICATIONS FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - State	\$ 6,825	\$ 6,825	\$ 0
Total Revenues	<u>6,825</u>	<u>6,825</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Central:			
Purchased Services	<u>6,825</u>	<u>6,825</u>	<u>0</u>
Total Expenditures	<u>6,825</u>	<u>6,825</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

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<b>EDUCATION JOBS FUND</b>			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 34,000	\$ 34,000	\$ 0
Total Revenues	34,000	34,000	0
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	34,000	0	34,000
Total Expenditures	34,000	0	34,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	34,000	34,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 34,000	\$ 34,000

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

<b>IDEA, PART B FUND</b>			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 471,057	\$ 471,057	\$ 0
Total Revenues	471,057	471,057	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	104,359	94,462	9,897
Fringe Benefits	40,406	40,406	0
Supplies and Materials	15,591	15,591	0
Capital Outlay	30,583	30,583	0
Total Instruction	190,939	181,042	9,897
Support Services:			
Pupils:			
Purchased Services	14,000	14,000	0
Total Pupils	14,000	14,000	0
Instructional Staff:			
Salaries and Wages	214,972	214,972	0
Fringe Benefits	72,686	72,686	0
Purchased Services	7,141	7,141	0
Total Instructional Staff	294,799	294,799	0
Total Support Services	308,799	308,799	0
Total Expenditures	499,738	489,841	9,897
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(28,681)	(18,784)	9,897
Fund Balance at Beginning of Year			
Prior Year Encumbrances	27	27	0
Fund Balance at End of Year	\$ 1	\$ 9,898	\$ 9,897

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

<b>FEDERAL STABILIZATION FUND</b>			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental - State	\$ 472,206	\$ 472,206	\$ 0
Total Revenues	472,206	472,206	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	217,233	217,233	0
Fringe Benefits	62,156	62,156	0
Total Regular	279,389	279,389	0
Other Instruction:			
Purchased Services	30,348	30,348	0
Total Other	30,348	30,348	0
Total Instruction	309,737	309,737	0
Support Services:			
Administration:			
Salaries and Wages	78,553	78,553	0
Fringe Benefits	32,479	32,479	0
Total Administration	111,032	111,032	0
Pupil Transportation:			
Supplies and Materials	51,437	51,437	0
Total Pupil Transportation	51,437	51,437	0
Total Support Services	162,469	162,469	0
Total Expenditures	472,206	472,206	0
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	0	0	0
Fund Balance at Beginning of Year			
	0	0	0
Fund Balance at End of Year			
	\$ 0	\$ 0	\$ 0

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

### TITLE II-D TECHNOLOGY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - State	\$ 923	\$ 923	\$ 0
Total Revenues	923	923	0
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	1,115	1,036	79
Total Expenditures	1,115	1,036	79
Excess (Deficiency) of Revenues Over (Under) Expenditures	(192)	(113)	79
<b>Other Financing Sources (Uses):</b>			
Advances Out	(207)	(207)	0
Total Other Financing Sources (Uses)	(207)	(207)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(399)	(320)	79
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	399	399	0
Fund Balance at End of Year	\$ 0	\$ 79	\$ 79

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**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

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<b>TITLE I SCHOOL IMPROVEMENT FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	<u>2,400</u>	<u>2,400</u>	<u>0</u>
Total Expenditures	<u>2,400</u>	<u>2,400</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,400)	(2,400)	0
Fund Balance at Beginning of Year	<u>2,400</u>	<u>2,400</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

<b>TITLE I FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - State	\$ 278,105	\$ 278,104	\$ (1)
Total Revenues	278,105	278,104	(1)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	147,784	147,784	0
Fringe Benefits	45,410	45,410	0
Supplies and Materials	13,288	13,144	144
Capital Outlay	1,000	975	25
Total Instruction	207,482	207,313	169
Support Services:			
Pupils:			
Purchased Services	25,000	25,000	0
Total Pupils	25,000	25,000	0
Instructional Staff:			
Purchased Services	44,331	43,833	498
Total Instructional Staff	44,331	43,833	498
Total Support Services	69,331	68,833	498
Total Expenditures	276,813	276,146	667
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,292	1,958	666
<b>Other Financing Sources (Uses):</b>			
Advances Out	(7,768)	(7,768)	0
Total Other Financing Sources (Uses)	(7,768)	(7,768)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)			
Expenditures and Other Financing Uses	(6,476)	(5,810)	666
Fund Balance at Beginning of Year	3,134	3,134	0
Prior Year Encumbrances	3,343	3,343	0
Fund Balance at End of Year	\$ 1	\$ 667	\$ 666

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

**DRUG-FREE SCHOOL GRANT FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 6,129	\$ 6,129	\$ 0
Total Revenues	6,129	6,129	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Supplies and Materials	435	435	0
Total Instruction	435	435	0
Support Services:			
Instructional Staff:			
Purchased Services	4,968	4,968	0
Total Instructional Staff	4,968	4,968	0
Total Support Services	4,968	4,968	0
Total Expenditures	5,403	5,403	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	726	726	0
<b>Other Financing Sources (Uses):</b>			
Advances Out	(1,858)	(1,858)	0
Total Other Financing Sources (Uses):	(1,858)	(1,858)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,132)	(1,132)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	1,132	1,132	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011***

### **IDEA PRESCHOOL GRANT FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 8,612	\$ 8,612	\$ 0
Total Revenues	8,612	8,612	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	16,102	16,102	0
Total Regular	16,102	16,102	0
Special:			
Supplies and Materials	3,897	3,897	0
Total Special	3,897	3,897	0
Total Instruction	19,999	19,999	0
Support Services:			
Pupils:			
Purchased Services	2,000	2,000	0
Total Pupils	2,000	2,000	0
Instructional Staff:			
Salaries and Wages	1,011	1,011	0
Fringe Benefits	136	136	0
Purchased Services	2,250	750	1,500
Total Instructional Staff	3,397	1,897	1,500
Total Support Services	5,397	3,897	1,500
Total Expenditures	25,396	23,896	1,500
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(16,784)	(15,284)	1,500
Fund Balance at Beginning of Year	16,784	16,784	0
Fund Balance at End of Year	\$ 0	\$ 1,500	\$ 1,500

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011**

<b>IMPROVING TEACHER QUALITY FUND</b>			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental - State	\$ 62,531	\$ 62,531	\$ 0
Total Revenues	62,531	62,531	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	41,081	41,081	0
Fringe Benefits	16,950	12,869	4,081
Total Instruction	58,031	53,950	4,081
Support Services:			
Instructional Staff:			
Purchased Services	5,154	4,952	202
Total Support Services	5,154	4,952	202
Total Expenditures	63,185	58,902	4,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	(654)	3,629	4,283
<b>Other Financing Sources (Uses):</b>			
Advances Out	(249)	(249)	0
Total Other Financing Sources (Uses)	(249)	(249)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(903)	3,380	4,283
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	904	904	0
Fund Balance at End of Year	\$ 1	\$ 4,284	\$ 4,283

## **MADISON LOCAL SCHOOL DISTRICT, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2011***

### PERMANENT IMPROVEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 511,063	\$ 511,063	\$ 0
Intergovernmental - State	83,028	83,028	0
Miscellaneous	25,000	25,000	0
Total Revenues	619,091	619,091	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	6,600	6,600	0
Supplies and Materials	73,062	73,062	0
Capital Outlay	151,676	151,676	0
Total Instruction	231,338	231,338	0
Support Services:			
Instructional Staff:			
Supplies and Materials	6,212	6,212	0
Capital Outlay	39,988	39,988	0
Total Instructional Staff	46,200	46,200	0
Administration:			
Capital Outlay	6,236	6,236	0
Total Administration	6,236	6,236	0
Operation and Maintenance of Plant:			
Purchased Services	44,025	43,879	146
Capital Outlay	26,942	26,942	0
Total Operation and Maintenance Of Plant	70,967	70,821	146
Pupil Transportation:			
Purchased Services	28,802	28,802	0
Total Pupil Transportation	28,802	28,802	0

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2011**

<b>BUILDING FUND</b>			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Interest	\$ 2,495	\$ 2,589	\$ 94
Total Revenues	2,495	2,589	94
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Capital Outlay	250,000	117,318	132,682
Total Instruction	250,000	117,318	132,682
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	493	139	354
Total Support Services	493	139	354
Capital Outlay:			
Purchased Services	176,047	115,740	60,307
Capital Outlay	701,773	635,156	66,617
Total Capital Outlay	877,820	750,896	126,924
Total Expenditures	1,128,313	868,353	259,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,125,818)	(865,764)	260,054
<b>Other Financing Sources (Uses):</b>			
Refund of Prior Year's Expenditures	221,816	221,816	0
Total Other Financing Sources (Uses)	221,816	221,816	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(904,002)	(643,948)	260,054
Fund Balance at Beginning of Year	266,374	266,374	0
Prior Year Encumbrances	637,629	637,629	0
Fund Balance at End of Year	\$ 1	\$ 260,055	\$ 260,054

## ***MADISON LOCAL SCHOOL DISTRICT, OHIO***

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### ***Fiduciary Funds***

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

### ***Agency Funds***

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#### **Student Managed Activity Fund**

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

**MADISON LOCAL SCHOOL DISTRICT, OHIO**

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***Statement of Changes in Assets and Liabilities***  
***Agency Fund***  
***For the Year Ended June 30, 2011***

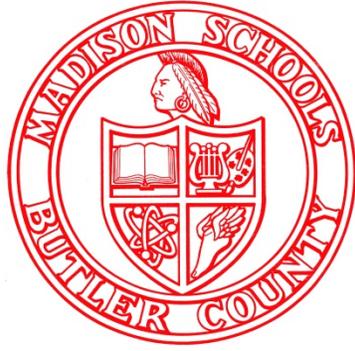
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	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b><i>Student Managed Activity Fund</i></b>				
Assets:				
Cash and Cash Equivalents	\$45,376	\$110,589	(\$107,243)	\$48,722
Total Assets	<u>\$45,376</u>	<u>\$110,589</u>	<u>(\$107,243)</u>	<u>\$48,722</u>
Liabilities:				
Due to Students	\$45,376	\$110,589	(\$107,243)	\$48,722
Total Liabilities	<u>\$45,376</u>	<u>\$110,589</u>	<u>(\$107,243)</u>	<u>\$48,722</u>

*STATISTICAL SECTION*

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***STATISTICAL TABLES***

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

***Contents***

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

**Sources Note:**

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

**Madison Local School District**

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

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

Source: District Treasurer's Office

*Madison Local School District*

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<u>2008</u>	<u>2009</u>	<u>Restated 2010</u>	<u>2011</u>
\$165,652	\$2,533,325	\$14,098,173	\$17,707,514
17,522,646	14,958,669	4,683,737	412,206
569,900	327,827	275,198	364,910
357,848	421,798	683,951	445,139
<u>2,354,826</u>	<u>2,837,890</u>	<u>2,459,092</u>	<u>1,578,093</u>
<u>\$20,970,872</u>	<u>\$21,079,509</u>	<u>\$22,200,151</u>	<u>\$20,507,862</u>

## *Madison Local School District*

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

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

(continued)

*Madison Local School District*

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2008	2009	Restated 2010	2011
\$6,073,136	\$6,160,438	\$6,180,750	\$6,992,679
960,398	943,813	1,077,070	1,166,601
1,275	1,275	2,797	2,351
318,253	419,026	534,703	509,849
670,149	703,818	658,327	691,662
820,782	777,391	892,530	970,110
45,506	115,608	83,741	89,245
1,187,213	1,217,630	1,343,915	1,180,677
302,472	360,928	314,637	316,007
2,485	1,267	4,796	2,147
1,665,428	1,456,957	1,715,213	1,734,124
1,196,774	1,132,259	911,670	952,993
281,041	348,879	411,556	480,398
687,671	671,806	708,774	684,419
30,838	45,775	42,662	31,703
390,004	411,853	422,981	469,744
699,486	679,062	651,444	639,766
<u>\$15,332,911</u>	<u>\$15,447,785</u>	<u>\$15,957,566</u>	<u>\$16,914,475</u>
\$636,562	\$665,055	\$999,466	\$991,421
0	0	0	0
0	0	40,360	1,565
0	0	0	759
792	1,166	744	1,157
516,862	543,932	502,290	462,168
47,680	38,317	35,842	0
227,776	189,402	205,957	167,430
900,245	755,088	1,674,165	1,357,741
17,224,566	0	0	0
<u>19,554,483</u>	<u>2,192,960</u>	<u>3,458,824</u>	<u>2,982,241</u>

## *Madison Local School District*

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

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

Source: District Treasurer's Office

*Madison Local School District*

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2007	2008	2009	Restated 2010	2011
(12,536,668)	4,221,572	(13,254,825)	(12,498,742)	(13,932,234)
<u>(\$12,536,668)</u>	<u>\$4,221,572</u>	<u>(\$13,254,825)</u>	<u>(\$12,498,742)</u>	<u>(\$13,932,234)</u>
\$5,886,523	\$5,424,737	\$5,294,613	\$5,094,402	\$4,363,693
852,750	921,767	844,829	759,498	853,291
6,819,302	7,019,001	7,102,137	6,626,608	6,518,941
69,709	212,867	114,383	71,029	13,409
0	11,280	7,500	105,534	490,611
<u>\$13,628,284</u>	<u>\$13,589,652</u>	<u>\$13,363,462</u>	<u>\$12,657,071</u>	<u>\$12,239,945</u>
<u>\$1,091,616</u>	<u>\$17,811,224</u>	<u>\$108,637</u>	<u>\$158,329</u>	<u>(\$1,692,289)</u>

## *Madison Local School District*

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Assigned	\$0	\$0	\$0	\$0
Unassigned	0	0	0	0
Reserved	1,093,598	321,529	919,186	1,087,904
Unreserved	<u>511,037</u>	<u>378,048</u>	<u>(207,221)</u>	<u>(285,953)</u>
<i>Total General Fund</i>	<u>1,604,635</u>	<u>699,577</u>	<u>711,965</u>	<u>801,951</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	848,515	303,776	348,236	370,385
Unreserved, Undesignated in:				
Special Revenue Funds	72,822	46,658	242,009	198,732
Capital Projects Funds	<u>255,684</u>	<u>418,107</u>	<u>512,889</u>	<u>(163,390)</u>
Total All Other Governmental Funds	<u>1,177,021</u>	<u>768,541</u>	<u>1,103,134</u>	<u>405,727</u>
<i>Total Governmental Funds</i>	<u><u>\$2,781,656</u></u>	<u><u>\$1,468,118</u></u>	<u><u>\$1,815,099</u></u>	<u><u>\$1,207,678</u></u>

Source: District Treasurer's Office

*Madison Local School District*

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2006	2007	2008	2009	Restated 2010	2011
\$0	\$0	\$0	\$0	\$0	\$209,270
0	0	0	0	0	1,321,487
581,134	1,056,758	685,000	1,440,311	1,225,000	0
128,318	832,467	1,560,542	1,263,772	1,435,368	0
<u>709,452</u>	<u>1,889,225</u>	<u>2,245,542</u>	<u>2,704,083</u>	<u>2,660,368</u>	<u>1,530,757</u>
0	0	0	0	0	15,305
0	0	0	0	0	1,179,016
0	0	0	0	0	(41,559)
427,091	490,645	778,159	501,518	2,182,789	0
150,286	105,306	327,982	412,350	264,784	0
(171,905)	78,459	3,224,112	8,414,878	3,801,109	0
<u>405,472</u>	<u>674,410</u>	<u>4,330,253</u>	<u>9,328,746</u>	<u>6,248,682</u>	<u>1,152,762</u>
<u>\$1,114,924</u>	<u>\$2,563,635</u>	<u>\$6,575,795</u>	<u>\$12,032,829</u>	<u>\$8,909,050</u>	<u>\$2,683,519</u>

## *Madison Local School District*

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

	2002	2003	2004	2005
<b>Revenues:</b>				
Taxes	\$4,096,741	\$3,702,402	\$4,992,466	\$4,850,534
Tuition	62,682	64,925	38,282	57,602
Investment Earnings	86,570	21,320	4,537	31,506
Food Services	0	0	421,613	435,577
Extracurricular Activities	132,944	119,444	130,001	148,532
Class Materials and Fees	0	0	60,219	54,313
Receipts from Intermediate Sources	0	0	0	0
Intergovernmental - State	6,282,526	6,846,472	6,690,911	6,451,022
Intergovernmental - Federal	0	0	516,243	643,978
All Other Revenue	112,373	96,901	39,833	64,351
<b>Total Revenue</b>	<b>10,773,836</b>	<b>10,851,464</b>	<b>12,894,105</b>	<b>12,737,415</b>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular	4,667,973	5,060,786	5,319,534	5,749,829
Special	635,093	694,910	750,421	778,311
Vocational	0	0	0	0
Other Instruction	0	0	0	0
Supporting Services:				
Pupils	443,741	612,604	648,489	592,552
Instructional Staff	549,793	522,786	747,726	662,393
Board of Education	48,581	51,647	54,073	43,291
Administration	783,319	950,302	1,006,102	1,002,205
Fiscal Services	262,314	279,085	284,640	314,118
Business	47,586	125,823	32,347	44,227
Operation and Maintenance of Plant	1,142,547	1,313,091	1,363,036	1,245,533
Pupil Transportation	627,199	608,535	611,465	636,970
Central	154,233	185,381	250,595	234,526
Operation of Non-Instructional:				
Food Services Operations	0	0	541,691	555,733
Community Services	0	0	19,036	21,349
Extracurricular Activities	330,150	325,479	337,036	320,011
Capital Outlay	1,664,017	838,511	61,878	167,374
Debt Service:				
Principal Retirement	88,888	149,564	233,144	282,449
Interest and Fiscal Charges	690,917	681,498	696,458	691,461
<b>Total Expenditures</b>	<b>12,136,351</b>	<b>12,400,002</b>	<b>12,957,671</b>	<b>13,342,332</b>

***Madison Local School District***

2006	2007	2008	2009	2010	2011
\$5,001,503	\$6,931,174	\$6,119,988	\$6,377,518	\$5,944,087	\$4,981,570
73,179	319,505	532,606	561,658	864,591	914,740
24,957	69,709	212,867	114,383	71,029	13,409
455,158	465,626	516,641	543,932	502,290	462,168
266,822	228,200	221,233	163,057	171,690	147,536
67,140	62,510	67,889	72,892	62,160	53,693
0	0	0	0	16,405	27,618
6,693,694	6,865,675	7,786,108	14,875,924	15,382,194	6,568,196
713,307	665,426	848,125	729,476	1,392,286	1,554,569
98,293	96,289	102,583	103,832	273,057	509,358
<u>13,394,053</u>	<u>15,704,114</u>	<u>16,408,040</u>	<u>23,542,672</u>	<u>24,679,789</u>	<u>15,232,857</u>
5,802,366	5,943,197	5,586,194	5,803,957	5,779,445	6,203,179
797,896	798,490	910,242	954,000	1,064,501	1,164,254
0	12,175	0	0	1,522	0
0	292,558	308,413	419,026	534,703	509,849
602,887	532,599	636,773	716,471	669,690	683,170
670,490	719,504	788,684	750,448	903,756	954,400
58,011	61,309	44,099	115,608	83,741	89,245
943,723	1,066,678	1,086,362	1,192,440	1,259,591	1,084,097
259,777	288,633	290,748	359,784	310,688	316,702
125,505	33,551	2,408	1,267	4,796	2,147
1,337,274	1,468,316	1,568,375	1,416,975	1,669,667	1,562,888
684,851	766,265	1,106,232	1,070,769	850,180	950,706
314,877	339,193	272,351	348,879	411,556	474,694
587,672	674,624	656,595	652,432	703,903	641,383
21,870	28,552	29,402	44,179	41,066	31,703
303,323	375,836	367,128	400,685	410,679	431,558
0	27,150	741,098	2,648,294	11,995,639	5,107,660
300,693	285,275	569,564	623,598	621,494	713,796
677,361	697,291	659,165	596,063	496,506	540,963
<u>13,488,576</u>	<u>14,411,196</u>	<u>15,623,833</u>	<u>18,114,875</u>	<u>27,813,123</u>	<u>21,462,394</u>

(Continued)

## *Madison Local School District*

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

	2002	2003	2004	2005
Excess (Deficiency) of Revenues Over Expenditures	(1,362,515)	(1,548,538)	(63,566)	(604,917)
<b>Other Financing Sources (Uses):</b>				
Issuance of Refunding Bonds	0	0	0	0
Premium on Issuance of Refunding Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Issuance of General Obligation Bonds	0	0	0	0
Issuance of General Obligation Notes	0	0	0	0
New Capital Leases	450,000	0	194,630	0
Transfers In	180,229	78,000	0	409,143
Transfers Out	(180,229)	(78,000)	0	(409,143)
Refund of P/Y Expenditures	0	0	0	0
Sale of Capital Assets	0	235,000	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>450,000</u>	<u>235,000</u>	<u>194,630</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	<u><u>(\$912,515)</u></u>	<u><u>(\$1,313,538)</u></u>	<u><u>\$131,064</u></u>	<u><u>(\$604,917)</u></u>

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

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

Source: District Treasurer's Office

*Madison Local School District*

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2006	2007	2008	2009	2010	2011
(94,523)	1,292,918	784,207	5,427,797	(3,133,334)	(6,229,537)
0	10,254,991	0	0	0	0
0	764,118	0	0	0	0
0	(10,862,377)	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	3,229,000	28,449	0	0
50,000	0	1,000	2,593	162	0
(50,000)	0	(1,000)	(2,593)	(162)	0
0	0	0	0	0	0
0	0	0	0	0	0
0	156,732	3,229,000	28,449	0	0
<u>(\$94,523)</u>	<u>\$1,449,650</u>	<u>\$4,013,207</u>	<u>\$5,456,246</u>	<u>(\$3,133,334)</u>	<u>(\$6,229,537)</u>

**Madison Local School District**

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

<b>Tax year</b>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Real Property</b>				
Assessed	109,939,950	132,682,570	135,727,270	138,782,920
Actual	314,114,143	379,093,057	387,792,200	396,522,629
<b>Public Utility</b>				
Assessed	3,965,390	4,029,500	4,005,930	4,015,530
Actual	3,965,390	4,029,500	4,005,930	4,015,530
<b>Tangible Personal Property</b>				
Assessed	5,055,735	4,809,494	4,753,953	3,470,054
Actual	20,222,940	19,237,976	19,015,812	13,880,216
<b>Total</b>				
Assessed	118,961,075	141,521,564	144,487,153	146,268,504
Actual	338,302,473	402,360,533	410,813,942	414,418,375
<b>Assessed Value as a Percentage of Actual Value</b>				
	35.16%	35.17%	35.17%	35.29%
<b>Total Direct Tax Rate</b>				
	\$30.00	\$29.30	\$29.15	\$29.10

Source: Butler County Auditor

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

*Madison Local School District*

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2005	2006	2007	2008	2009	2010
156,476,660	160,894,650	159,200,760	163,827,970	155,618,130	155,365,960
447,076,171	459,699,000	454,859,314	468,079,914	444,623,229	443,902,743
3,897,370	3,790,760	3,353,120	3,464,173	3,318,090	3,464,660
3,897,370	3,790,760	3,353,120	3,464,173	3,318,090	3,464,660
3,203,868	2,563,101	1,833,998	0	0	0
12,815,472	13,854,600	14,671,984	0	0	0
163,577,898	167,248,511	164,387,878	167,292,143	158,936,220	158,830,620
463,789,013	477,344,360	472,884,418	471,544,087	447,941,319	447,367,403
35.27%	35.04%	34.76%	35.48%	35.48%	35.50%
\$29.00	\$36.54	\$36.04	\$36.35	\$37.85	\$38.14

## *Madison Local School District*

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

	2001	2002	2003	2004
<b>Direct District Rates</b>				
General Fund	20.00	20.00	20.00	20.00
Permanent Improvement Fund	3.70	3.70	3.70	3.70
Bond Retirement Fund	6.30	5.60	5.45	5.40
Total	<u>30.00</u>	<u>29.30</u>	<u>29.15</u>	<u>29.10</u>
<b>Overlapping Rates</b>				
Madison Township	2.26	2.26	2.26	2.26
Butler Career & Technical School	1.93	1.93	1.93	1.93
Butler County	8.75	8.75	8.74	8.74
Total	<u><u>42.94</u></u>	<u><u>42.24</u></u>	<u><u>42.08</u></u>	<u><u>42.03</u></u>

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

**Source:**

Butler County Auditor  
Butler County Treasurer's Office

*Madison Local School District*

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2005	2006	2007	2008	2009	2010
20.00	27.54	26.88	26.85	28.00	28.04
3.70	3.70	3.70	3.70	3.70	3.70
5.30	5.30	5.46	5.80	6.15	6.40
<u>29.00</u>	<u>36.54</u>	<u>36.04</u>	<u>36.35</u>	<u>37.85</u>	<u>38.14</u>
2.26	2.26	2.26	2.26	2.26	2.26
1.93	1.93	1.93	1.93	1.93	1.93
8.74	9.44	10.45	9.75	8.88	8.95
<u>41.93</u>	<u>50.17</u>	<u>50.68</u>	<u>50.29</u>	<u>50.92</u>	<u>51.28</u>



**Madison Local School District**

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

Name of Taxpayer	Nature of Business	Calendar Year 2010		
		Assessed Value	Rank	Percent of Total Assessed Value
Sun Pool 12 LLC	Pool Servicing	\$2,785,540	1	1.75%
Duke Energy Ohio Inc	Electric Utility	1,927,850	2	1.21%
Browns Run Country Club	Golf Course	858,240	3	0.54%
BAO Properties LLC	Real Estate	580,040	4	0.37%
Butler Rural Electric	Electric Utility	509,010	5	0.32%
Oakley Brett TR	Resident	450,950	6	0.28%
Lewis Consolidated Agencies Inc	Real Estate Investments	434,100	7	0.27%
Pelfrey Robert D	Resident	322,860	8	0.20%
Trinity Investments	Real Estate Investments	311,410	9	0.20%
Cobb Lisa A TR	Resident	288,040	10	0.18%
Subtotal		8,468,040		5.32%
All Others		150,362,580		94.67%
Total		<u>\$158,830,620</u>		<u>99.99%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2006		
		Assessed Value	Rank	Percent of Total Assessed Value
Sun Pool 12 LLC	Pool Servicing	\$2,596,820	1	1.55%
Cincinnati Gas & Electric	Utility	2,394,040	2	1.43%
Browns Run Country Club	Golf Course	849,770	3	0.51%
BOA Properties LLC	Real Estate	797,300	4	0.48%
Ohio Bell Telephone Co.	Communications	519,880	5	0.31%
Butler Rural Electric	Utility	449,680	6	0.27%
Miller, Carl	Resident	332,950	7	0.20%
Smith, Cheryl A TR	Resident	315,680	8	0.19%
CSX Transportation Inc.	Rail Transport	307,980	9	0.18%
Cobb, Gary A MD	Resident	291,040	10	0.17%
Subtotal		8,855,140		5.29%
All Others		158,393,371		94.71%
Total		<u>\$167,248,511</u>		<u>100.00%</u>

NOTE: Data not available in this format prior to 2006.

Source: Butler County Auditor - Land and Buildings  
Based on valuation of property in 2010 and 2001

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

**Madison Local School District**

*Property Tax Levies and Collections  
Last Calendar Ten Years*

<b>Collection Year</b>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Total Tax Levy</b> <sup>(1)</sup>	\$3,293,610	\$3,413,314	\$4,171,685
<b>Collections within the Fiscal Year of the Levy</b>			
Current Tax Collections <sup>(2)</sup>	3,138,061	3,376,296	3,879,515
Percent of Levy Collected	95.28%	98.92%	93.00%
Delinquent Tax Collections	<u>44,903</u>	<u>39,091</u>	<u>142,566</u>
Total Tax Collections	3,182,964	3,415,387	4,022,081
<b>Percent of Total Tax Collections To Tax Levy</b>	96.64%	100.06%	96.41%
<b>Accumulated Outstanding Delinquent Taxes</b> <sup>(3)</sup>	N/A	N/A	N/A
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	N/A	N/A	N/A

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

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

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

Source: Butler County Auditor's Office

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

*Madison Local School District*

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2004	2005	2006	2007	2008	2009	2010
\$4,239,759	\$4,400,325	\$5,997,696	\$6,011,108	\$5,944,248	\$6,011,521	\$6,084,139
3,925,563	3,965,240	5,612,034	5,569,605	5,570,253	5,704,107	5,712,783
92.59%	90.11%	93.57%	92.66%	93.71%	94.89%	93.90%
231,019	218,120	310,340	285,955	331,695	329,255	329,255
4,156,582	4,183,360	5,922,374	5,855,560	5,901,948	6,033,362	6,042,038
98.04%	95.07%	98.74%	97.41%	99.29%	100.36%	99.31%
375,347	592,312	667,634	823,182	865,482	885,941	928,042
8.85%	13.46%	11.13%	13.69%	14.56%	14.74%	15.25%

## *Madison Local School District*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2002	2003	2004	2005
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$12,754,937	\$12,684,937	\$12,574,937	\$12,454,937
Installment Loan	351,211	271,647	188,045	100,201
Capital Leases	447,203	412,593	567,681	493,076
Total Primary Government	<u>\$13,553,351</u>	<u>\$13,369,177</u>	<u>\$13,330,663</u>	<u>\$13,048,214</u>
<b>Population</b> <sup>(2)</sup>				
Madison Township	9,076	9,391	9,609	9,561
Outstanding Debt Per Capita	\$1,493	\$1,424	\$1,387	\$1,365
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	265,682	281,861	301,069	305,187
Percentage of Personal Income	5.10%	4.74%	4.43%	4.28%

**Sources:**

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population
- (3) US Department of Commerce, Bureau of Economic Analysis

*Madison Local School District*

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2006	2007	2008	2009	2010	2011
\$12,324,937	\$12,303,786	\$11,935,756	\$11,547,723	\$11,092,436	\$10,618,403
7,900	0	0	0	0	0
414,684	332,309	3,426,745	3,296,596	3,220,102	3,086,306
<u>\$12,747,521</u>	<u>\$12,636,095</u>	<u>\$15,362,501</u>	<u>\$14,844,319</u>	<u>\$14,312,538</u>	<u>\$13,704,709</u>
9,842	10,025	10,025	10,025	8,448	8,448
\$1,295	\$1,260	\$1,532	\$1,481	\$1,694	\$1,622
322,001	339,326	339,326	299,997	292,757	N/A
3.96%	3.72%	4.53%	4.95%	4.89%	N/A

**Madison Local School District**

*Ratios of General Bonded Debt Outstanding  
Last Ten Calendar Years*

Year	2001	2002	2003	2004
<b>Population</b> <sup>(1)</sup>	8,810	9,076	9,391	9,609
<b>Assessed Value</b> <sup>(2)</sup>	\$118,961,075	\$141,521,564	\$144,487,153	\$146,268,504
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$12,769,937	\$12,754,937	\$12,684,937	\$12,574,937
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$37,168	\$82,614	\$193,112	\$129,700
<b>Net General Bonded Debt</b>	12,732,769	12,672,323	12,491,825	12,445,237
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	10.70%	8.95%	8.65%	8.51%
<b>Net Bonded Debt per Capita</b>	1,445	1,396	1,330	1,295

**Source:**

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

*Madison Local School District*

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2005	2006	2007	2008	2009	2010
9,561	9,842	10,025	10,025	10,025	8,448
\$163,577,898	\$167,248,511	\$164,387,878	\$167,292,143	\$158,936,220	\$158,830,620
\$12,454,937	\$12,324,937	\$12,303,786	\$11,935,756	\$11,547,723	\$11,092,436
\$146,771	\$173,307	\$303,583	\$549,061	\$358,842	\$393,884
12,308,166	12,151,630	12,000,203	11,386,695	11,188,881	10,698,552
7.52%	7.27%	7.30%	6.81%	7.04%	6.74%
1,287	1,235	1,197	1,136	1,116	1,266



**Madison Local School District**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2011*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Madison Local School District</u>	<u>Amount Applicable to Madison Local School District</u>
<b>Direct:</b>			
Madison Local School District	\$10,618,403	100.00%	\$10,618,403
<b>Overlapping:</b>			
Butler County	87,765,513	2.10%	<u>1,843,076</u>
		Subtotal	<u>1,843,076</u>
		Total	<u><u>\$12,461,479</u></u>

**Source:** Butler County Auditor

**Madison Local School District**

*Debt Limitations  
Last Ten Years*

	2001	2002	2003	2004
<b>Net Assessed Valuation</b>	\$141,521,564	\$118,961,075	\$141,521,564	\$144,487,153
<b>Overall Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	12,736,941	10,706,497	12,736,941	13,003,844
Applicable District Debt Outstanding	12,769,937	12,754,937	12,684,937	12,574,937
Less: Applicable Debt Service Fund Amounts (2)	(37,168)	(82,614)	(193,112)	(129,700)
Net Indebtedness Subject to Limitation	<u>12,732,769</u>	<u>12,672,323</u>	<u>12,491,825</u>	<u>12,445,237</u>
Overall Legal Debt Margin	<u>\$4,172</u>	<u>(\$1,965,826)</u>	<u>\$245,116</u>	<u>\$558,607</u>
<b>Unvoted Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	141,522	118,961	141,522	144,487
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$141,522</u>	<u>\$118,961</u>	<u>\$141,522</u>	<u>\$144,487</u>
<b>Energy Conservation Bond Limitation</b>				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	1,273,694	1,070,650	1,273,694	1,300,384
Authorized by the Board	<u>(425,100)</u>	<u>(351,211)</u>	<u>(271,647)</u>	<u>(188,045)</u>
Unvoted Energy Conservation Bond Legal Debt Margin	<u>\$848,594</u>	<u>\$719,439</u>	<u>\$1,002,047</u>	<u>\$1,112,339</u>

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

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

***Madison Local School District***

2005	2006	2007	2008	2009	2010
\$146,268,504	\$163,577,898	\$167,248,511	\$164,387,878	\$167,292,143	\$158,936,220
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
13,164,165	14,722,011	15,052,366	14,794,909	15,056,293	14,304,260
12,454,937	12,324,937	12,303,786	11,935,756	11,547,723	11,092,436
(146,771)	(173,307)	(303,583)	(549,061)	(358,842)	(393,884)
<u>12,308,166</u>	<u>12,151,630</u>	<u>12,000,203</u>	<u>11,386,695</u>	<u>11,188,881</u>	<u>10,698,552</u>
<u>\$855,999</u>	<u>\$2,570,381</u>	<u>\$3,052,163</u>	<u>\$3,408,214</u>	<u>\$3,867,412</u>	<u>\$3,605,708</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
146,269	163,578	167,249	164,388	167,292	158,936
0	0	0	0	0	0
<u>\$146,269</u>	<u>\$163,578</u>	<u>\$167,249</u>	<u>\$164,388</u>	<u>\$167,292</u>	<u>\$158,936</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
1,316,417	1,472,201	1,505,237	1,479,491	1,505,629	1,430,426
(100,201)	(7,900)	0	0	0	0
<u>\$1,216,216</u>	<u>\$1,464,301</u>	<u>\$1,505,237</u>	<u>\$1,479,491</u>	<u>\$1,505,629</u>	<u>\$1,430,426</u>

## *Madison Local School District*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2001	2002	2003	2004
<b>Population</b> (1)				
Madison Township	8,810	9,076	9,391	9,609
Butler County	336,553	338,891	341,667	344,784
<b>Income</b> (2) (a)				
Total Personal (in thousands)	\$254,371	\$265,682	\$281,861	\$301,069
Per Capita	\$28,873	\$29,273	\$30,014	\$31,332
<b>Unemployment Rate</b> (3)				
Federal	4.7%	5.8%	5.5%	5.5%
State	4.2%	5.5%	5.5%	6.0%
Butler County	3.3%	4.3%	4.0%	4.3%
Fiscal Year	2002	2003	2004	2005
<b>School Enrollment</b> (4)				
Pre-K	6	4	1	8
Grades K - 5	668	692	717	690
Grades 6 - 8	370	376	374	386
Grades 9 - 12	484	502	492	491
Non-Grade	2	2	6	4
Total	<u>1,530</u>	<u>1,576</u>	<u>1,590</u>	<u>1,579</u>

**Sources:**

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office (enrollment based on October headcount, including JVS, OE, etc.)

*Madison Local School District*

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2005	2006	2007	2008	2009	2010
9,561	9,842	10,025	10,025	8,448	8,448
348,243	353,486	357,908	360,765	363,184	368,130
\$305,187	\$322,001	\$339,326	\$339,326	\$299,997	\$292,757
\$31,920	\$32,717	\$33,848	\$33,848	\$35,511	\$34,654
5.0%	4.6%	4.6%	5.8%	9.3%	9.6%
5.9%	5.4%	5.6%	6.6%	10.2%	10.1%
5.4%	5.6%	5.1%	5.9%	9.4%	9.6%
2006	2007	2008	2009	2010	2011
10	8	59	80	72	64
684	681	696	668	655	665
364	375	352	367	400	379
504	489	519	501	503	514
2	4	3	5	0	0
1,564	1,557	1,629	1,621	1,630	1,622



***Madison Local School District***

*Principal Employers In Butler County Ohio  
Current Year and Two Years Ago*

Employer	Nature of Business	2010	
		Number of Employees	Rank
Miami University	Education	3,400	1
Cincinnati Financial Corp.	Financial	2,900	2
AK Steel	Manufacturing	2,400	3
Butler County	Government	2,000	4
Lakota Local School District	Education	1,688	5
General Electric Aviation	Aerospace	1,675	6
Mercy Fairfield Hospital	Healthcare	1,200	7
Hamilton City School District	Education	114	8
Fort Hamilton Hospital	Healthcare	1,035	9
Fairfield City School District	Education	994	10

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

Source: Butler County

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

Data for years prior to 2008 is not available.

**Madison Local School District**

*School District Employees by Type  
Last Ten Years*

	2001	2002	2003	2004	2005
<b>Supervisory</b>					
Noninstructional Administrators	3.00	5.00	4.00	4.00	4.00
Consultants/Supervisors of Instruction	1.00	1.00	1.00	1.00	1.00
Principals	3.00	2.00	1.00	2.00	2.00
Assistant Principals	2.00	2.00	2.00	1.00	1.00
<b>Instruction</b>					
Classroom Teachers					
Elementary	62.00	42.50	42.50	47.00	49.75
Junior/Senior High	26.00	42.00	44.50	43.50	49.17
<b>Student Services</b>					
Guidance Counselors	4.00	4.00	4.00	5.00	5.00
Psychologists	1.00	1.00	1.00	1.00	1.00
Librarians	1.00	1.00	1.00	1.00	1.00
Therapists	1.00	1.00	1.00	1.00	1.00
Other Professionals (noninstructional)	1.00	1.00	0.00	1.00	1.00
<b>Support Services</b>					
Clerical/Secretaries	11.00	11.00	11.50	12.50	12.00
Tutors/Aides	16.00	19.00	14.00	16.33	14.83
Food Service	20.00	20.00	15.50	15.50	13.00
Maintenance/Grounds	11.00	11.00	11.00	14.00	11.00
Transportation	12.00	11.00	10.00	14.00	7.50
<i>Total Employees</i>	<u>175.00</u>	<u>174.50</u>	<u>164.00</u>	<u>179.83</u>	<u>174.25</u>

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

Source: District Treasurer's Office - EMIS Reporting System

*Madison Local School District*

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2006	2007	2008	2009	2010
4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	3.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
46.83	45.50	40.50	43.10	45.10
44.17	42.50	47.30	48.00	48.00
5.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00
11.50	12.50	11.00	12.00	12.00
14.50	14.50	16.50	18.00	18.00
10.50	10.50	9.75	9.00	9.00
13.00	13.00	12.00	12.00	12.00
0.00	0.00	0.00	0.00	0.00
<u>158.50</u>	<u>155.50</u>	<u>155.05</u>	<u>158.10</u>	<u>160.10</u>

***Madison Local School District***

*Operating Indicators - Cost per Pupil  
Last Ten Years*

Fiscal Year	2002	2003	2004	2005	2006
Enrollment	1,530	1,576	1,590	1,579	1,564
Modified Accrual Basis					
Operating Expenditures	12,136,351	12,400,002	\$12,957,671	\$13,342,332	\$13,488,576
Cost per Pupil	7,932	7,868	8,149	8,450	8,624
Percentage of Change	N/A	(0.8%)	3.6%	3.7%	2.1%
Accrual Basis					
Expenses	N/A	N/A	\$12,525,870	\$12,722,012	\$12,906,315
Cost per Pupil	N/A	N/A	N/A	8,057	8,252
Percentage of Change	N/A	N/A	N/A	N/A	2.4%
Teaching Staff	84.5	87.0	90.5	98.9	91.0

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

*Madison Local School District*

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2007	2008	2009	2010	2011
1,557	1,629	1,621	1,630	1,622
\$14,411,196	\$15,623,833	\$18,114,875	\$27,813,123	\$21,462,394
9,256	9,591	11,175	17,063	13,232
7.3%	3.6%	16.5%	52.7%	(22.5%)
\$13,899,017	\$14,633,425	\$14,768,723	\$15,306,122	\$16,274,709
8,927	8,983	9,111	9,390	10,034
8.2%	0.6%	1.4%	3.1%	6.9%
88.0	87.8	91.8	98.0	98.0

## *Madison Local School District*

### *Operating Indicators by Function Last Ten Years*

	2002	2003	2004	2005
<b>Governmental Activities</b>				
Pupils				
Enrollment (Headcount)	1,530	1,576	1,590	1,579
Graduates	91	108	104	88
Administration				
School Attendance Rate	1	1	1	1
Fiscal Services				
Purchase Orders Processed	3,134	3,128	3,087	2,779
Checks Issued (non payroll)	3,165	3,072	3,129	2,851
Operation and Maintenance of Plant				
District Square Footage Maintained	229,293	229,293	229,293	229,293
District Square Acreage Maintained	63	63	63	63
Pupil Transportation				
Average Daily Students Transported	NA	1,340	1,529	1,471
Average Daily Bus Fleet Miles	NA	922	1,085	1,323
Number of Assigned Buses	NA	15	14	14
Operation of Noninstructional Services				
Food Service				
Students Meals Served Daily	113,482	109,731	113,849	111,505
Free/Reduced Price Meals Daily	30,849	40,233	48,632	50,237
Extracurricular Activities				
High School Varsity Teams	16	16	16	16

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

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

*Madison Local School District*

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2006	2007	2008	2009	2010	2011
1,564	1,557	1,629	1,621	1,630	1,622
120	108	101	113	90	104
1	1	1	1	1	1
2,797	2,983	2,537	2,415	2,562	2,538
2,610	2,988	2,756	2,799	2,768	2,712
229,293	229,293	229,293	229,293	229,293	225,232
63	63	63	63	63	63
1,130	906	897	932	966	946
956	890	1,102	1,121	995	848
13	13	13	15	13	13
104,837	102,621	132,228	131,672	171,827	172,736
52,916	67,057	61,410	68,038	61,134	65,762
16	16	16	16	16	16

***Madison Local School District***

*Operating Indicators - Teacher Base Salaries  
Last Ten Years*

Fiscal Year	2002	2003	2004	2005	2006
Minimum Salary	25,810	26,842	27,916	29,033	29,614
Maximum Salary	51,839	53,912	56,069	58,312	59,479
District Average Salary	37,133	38,908	40,953	38,889	42,653
Comparable District Average Salary	41,443	42,679	43,731	45,452	45,631
State Average Salary	44,266	45,515	47,495	49,342	51,346

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

*Operating Indicators - Teacher by Education  
Last Ten Years*

Fiscal Year	2002	2003	2004	2005	2006
Bachelor's Degree	53.0	46.5	51.5	51.2	43.0
Master's Degree	31.5	40.5	39.0	47.8	48.0
Total	84.5	87.0	90.5	98.9	91.0

Source: District Treasurer's Office

*Madison Local School District*

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<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
30,206	30,810	31,426	32,055	32,055
60,669	61,882	63,120	64,383	64,383
44,347	46,714	47,606	50,245	50,765
47,516	48,492	NA	NA	NA
52,596	54,210	54,656	55,958	56,715

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
39.5	42.0	42.2	44.0	47.5
48.5	45.8	49.6	46.1	45.6
<u>88.0</u>	<u>87.8</u>	<u>91.8</u>	<u>90.1</u>	<u>93.1</u>

## *Madison Local School District*

### *Capital Asset Statistics by Building Last Ten Years*

	2002	2003	2004	2005
<b>Secondary</b>				
Madison Junior & Senior High School				
Square Footage	120,974	120,974	120,974	120,974
Capacity (students)	795	795	795	795
Enrollment (Headcount)	752	746	759	739
<b>Elementary</b>				
Madison Intermediate Elementary School				
Square Footage	62,970	62,970	62,970	62,970
Capacity (students)	525	525	525	525
Enrollment (headcount)	457	479	480	437
Madison Primary Elementary School				
Square Footage	42,349	42,349	42,349	42,349
Capacity (students)	400	400	400	400
Enrollment (headcount-incl. Pre-K)	323	351	351	379
<b>All Other</b>				
Central Administration Building				
Square Footage	3,000	3,000	3,000	3,000

Source: District Treasurer's Office

Note: Capacity = classrooms (homerooms) x 25

*Madison Local School District*

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2006	2007	2008	2009	2010	2011
120,974	120,974	120,974	120,974	120,974	120,974
795	795	795	795	795	795
762	747	770	777	761	737
62,970	62,970	62,970	62,970	62,970	0
525	525	525	525	525	0
440	455	467	475	493	0
42,349	42,349	42,349	42,349	42,349	101,258
400	400	400	400	400	848
362	364	392	409	376	845
3,000	3,000	3,000	3,000	3,000	3,000

**Madison Local School District**

*Educational and Operating Statistics  
Last Ten Years*

	2002	2003	2004	2005	2006
<b>ACT Scores (Average)</b>					
Madison	20.1	20.0	21.1	20.7	20.3
Ohio	21.4	21.4	21.4	21.1	21.5
National	20.8	20.8	20.9	20.6	21.1
<b>Cost per Student (ODE) (1)</b>					
Madison	6,812	7,015	7,568	7,755	8,087
Ohio (Average)	8,073	8,441	8,768	9,028	9,356
<b>Cost to Educate a Graduate</b>					
Madison	N/A	N/A	N/A	N/A	N/A
Ohio (Average)	75,655	79,747	84,129	88,133	89,779
<b>Attendance Rate</b>					
Madison	95.10%	94.60%	94.50%	94.30%	94.50%
Ohio (Average)	95.00%	94.90%	95.30%	95.20%	94.10%
<b>Graduation Rate</b>					
Madison	83.60%	93.30%	95.10%	93.50%	93.10%
Ohio (Average) (2)	82.80%	83.90%	84.30%	85.90%	86.20%

**Source:**

District's Student Records and Ohio Department of Education

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

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

*Madison Local School District*

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2007	2008	2009	2010	2011
21.0	21.6	20.3	20.9	20.6
21.6	21.7	21.7	21.8	21.8
21.2	21.1	21.3	21.0	21.1
8,328	8,379	N/A	N/A	N/A
9,586	9,939	10,184	10,512	10,571
84,230	88,090	N/A	N/A	N/A
99,365	109,945	110,543	113,998	116,967
94.30%	94.90%	94.80%	94.80%	95.00%
94.10%	94.20%	94.30%	94.30%	94.50%
95.10%	94.20%	94.20%	95.00%	89.10%
86.90%	86.90%	84.60%	83.00%	84.30%



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

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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**MADISON LOCAL SCHOOL DISTRICT  
BUTLER COUNTY, OHIO  
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/ Pass Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U. S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
National School Lunch Program - Food Distribution	3L70	10.555	\$ -	\$ 21,630	\$ -	\$ 21,630
National School Lunch Program	3L60	10.555	163,213	-	163,213	-
School Breakfast Program	3L70	10.553	28,657	-	28,657	-
Total Nutrition Cluster			<u>191,870</u>	<u>21,630</u>	<u>191,870</u>	<u>21,630</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>191,870</u></b>	<b><u>21,630</u></b>	<b><u>191,870</u></b>	<b><u>21,630</u></b>
<b>U. S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	232,521	-	233,561	-
ARRA - Title I Grants to Local Education Agencies, Recovery Act	3DK0	84.389	61,685	-	65,070	-
Total Title I Cluster			<u>294,206</u>	<u>-</u>	<u>298,631</u>	<u>-</u>
Special Education Cluster:						
Special Education - Grants to States	3M20	84.027	296,158	-	304,311	-
Special Education - Preschool Grant	3C50	84.173	2,730	-	17,615	-
ARRA - Special Education Grants to States	3DJ10	84.391	174,900	-	185,548	-
ARRA - IDEA Preschool	3DL0	84.392	5,882	-	6,281	-
Total Special Education Cluster			<u>479,670</u>	<u>-</u>	<u>513,755</u>	<u>-</u>
Safe and Drug-Free Schools and Communities - State Grants	3D10	84.186	6,129	-	7,261	-
Total Safe and Drug-Free Schools and Communities - State Grants			<u>6,129</u>	<u>-</u>	<u>7,261</u>	<u>-</u>
Education Technology - State Grants	3S20	84.318	923	-	1,015	-
Total Education Technology - State Grants			<u>923</u>	<u>-</u>	<u>1,015</u>	<u>-</u>
Improving Teacher Quality - State Grant	3Y60	84.367	62,531	-	59,151	-
Total Improving Teacher Quality - State Grant			<u>62,531</u>	<u>-</u>	<u>59,151</u>	<u>-</u>
School Improvement Grants	n/a	84.377	-	-	2,400	-
Total School Improvement Grants			<u>-</u>	<u>-</u>	<u>2,400</u>	<u>-</u>
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	GRF	84.394	472,206	-	472,206	-
Total ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act			<u>472,206</u>	<u>-</u>	<u>472,206</u>	<u>-</u>
Education Jobs Fund	3ET0	84.410	34,000	-	-	-
Total Education Jobs Fund			<u>34,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total U.S. Department of Education</b>			<b><u>1,349,665</u></b>	<b><u>-</u></b>	<b><u>1,354,419</u></b>	<b><u>-</u></b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b><u>\$1,541,535</u></b>	<b><u>\$ 21,630</u></b>	<b><u>\$ 1,546,289</u></b>	<b><u>\$ 21,630</u></b>

The accompanying notes are an integral part of this schedule.

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

**NOTES TO SCHEDULE OF RECEIPTS AND EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FOOD DISTRIBUTION PROGRAM**

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

**NOTE C – CHILD NUTRITION CLUSTER**

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

**NOTE D – MATCHING REQUIREMENTS**

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

# Bastin & Company, LLC

*Certified Public Accountants*

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education  
Madison Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Local School District, Butler County, Ohio, (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 15, 2012 wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated balances previously reported for grant receivables and capital assets. 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 audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting that we consider a material weakness.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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. We consider finding 2011-01 described in the accompanying schedule of findings to be a material weakness.

## 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*.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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

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

Cincinnati, Ohio  
February 15, 2012

**Bastin & Company, LLC**  
*Certified Public Accountants*

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education  
Madison Local School District:

**Compliance**

We have audited Madison Local School District, Butler County, Ohio's (the District) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2011.

**Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the 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 Receipts and 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, 2011, and have issued our report thereon dated February 15, 2012, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated balances previously reported for grant receivables and capital assets. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying schedule of receipts and expenditures of federal awards is presented for the purpose 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 basic financial statements. The schedule 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 basic 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 to 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 basic financial statements taken as a whole.

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

*Bastin & Company, LLC*

Cincinnati, Ohio  
February 15, 2012

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

**FOR THE YEAR ENDED JUNE 30, 2011**

<b>SUMMARY OF AUDITORS' RESULTS</b>
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Type of financial statement opinion	Unqualified
Were there any material control weaknesses reported at the financial statement level?	Yes
Were there any other significant deficiencies in internal control reported at the financial statement level?	No
Was there any reported material noncompliance reported at the financial statement level?	No
Were there any material internal control weakness reported for major federal programs?	No
Were there any other significant deficiencies in internal control reported for major federal programs?	No
Type of major programs' compliance opinion	Unqualified
Are there any reportable findings?	No
Major programs:	Title I, Part A Cluster: CFDA's 84.310 & 84.389
	Special Education Cluster: CFDA's 84.027, 84.173, 84.391 & 84.392
	ARRA – School Fiscal Stabilization Fund CFDA 84.394
Dollar threshold to distinguish between Type A/B programs	Type A: > \$300,000 Type B: all other
Low risk auditee?	Yes

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**Finding Number 2011-01**

**Material Weakness**

The District incurred correcting adjustments to beginning fiscal year 2011 balances to properly reflect prior year amounts that had been reported for grant receivables and capital assets.

The adjustments to capital assets and related depreciation was a result of a District-wide re-evaluation performed by a contracted appraisal firm designed to re-establish capital asset values as a result of performing a physical inventory. While the results of that inventory have established total values by individual asset and by asset type that are included in the financial statements, details by expenditure function were not provided by the contracted appraisal firm. As a result, current year depreciation expense by individual expenditure function was estimated within the financial statements.

The accompanying financial statements were adjusted to reflect for the correction of these material misstatements. We further recommend that the District take steps to ensure that annual depreciation expense is identified by functional expense within the fixed asset database.

**District's Response**

The District will more closely review and monitor amounts created during the conversion process that is in place to produce GAAP basis statements. Grants receivables needed adjustment due to calculation errors in performing the fiscal year 2010 conversion. Capital assets were restated as a result of a District-wide appraisal performed by an outside contractor to re-establish proper values of the District's capital assets. The District will further evaluate the classification of depreciation by function.

**FINDINGS FOR FEDERAL AWARDS**

None

**MADISON LOCAL SCHOOL DISTRICT  
BUTLER COUNTY, OHIO  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2011**

There were no findings reported in the prior audit report.

# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Education  
Madison Local School District:

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

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

1. We noted the Madison Local School District amended its anti-harassment policy in January 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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.



Cincinnati, Ohio  
February 15, 2012

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# Dave Yost • Auditor of State

**MADISON LOCAL SCHOOL DISTRICT**

**BUTLER COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 3, 2012**