

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2002



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY**

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SUGARCREEK LOCAL SCHOOL DISTRICT

GREENE COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF AGRICULTURE				
<i>(Passed Through Ohio Department of Education)</i>				
National School Lunch Program	N/A	10.555	\$53,002	\$53,002
Total U.S. Department of Agriculture			53,002	53,002
U.S. DEPARTMENT OF EDUCATION				
<i>(Passed Through Ohio Department of Education)</i>				
Ohio School to Work/Year 2000 System Grant	N/A	17.249	42,793	7,193
Title I	C1-S1-01	84.010	36,448	37,096
Special Education Cluster				
Special Education Grants to States - Title VI-B	6B-SF-02P	84.027	145,179	148,095
<i>(Passed Through Greene County Educational Service Center)</i>				
Preschool Grant	N/A	84.173	32,203	33,178
Total Special Education Cluster			177,382	181,273
<i>(Passed Through Ohio Department of Education)</i>				
Title IV - Drug Free Education	DR-S1-02	84.186	10,139	10,139
Eisenhower Professional Development State Grant	MS-S1-01 MS-S1-02	84.281	639 7,517	774 7,517
<i>(Passed Through Greene County Educational Service Center)</i>				
Eisenhower Professional Development State Grant	N/A			2,110
Total Eisenhower Professional Development Stte Grant			8,156	10,401
<i>(Passed Through Ohio Department of Education)</i>				
Title VI - Innovative Education Program Strategy	C2-S1-00 C2-S1-01 C2-S1-02	84.298		108 82 13,182
Total Innovative Education Program Strategy			13,361	13,372
Title VI-R - Class Size Reduction		84.340		208
	CR-S1-01 CR-S1-02		13,972 25,901	14,685 25,901
Total Title VI-R - Class Size Reduction			39,873	40,794
<i>(Passed Through Greene County Career Center)</i>				
Carl D. Perkins Vocational Education	N/A	84.048		2,000
Total Department of Education			328,152	300,268
Totals			\$381,154	\$353,270

The accompanying notes to this schedule are an integral part of this schedule.

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY
FOR THE YEAR ENDED JUNE 30, 2002**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - U.S. DEPARTMENT OF AGRICULTURE

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

NOTE C - 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.



STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Sugarcreek Local School District
Greene County
60 East South Street
Bellbrook, Ohio 45305

We have audited the financial statements of Sugarcreek Local School District, Greene County (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated November 18, 2002. 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.

Compliance

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 grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-10329-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated November 18, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 18, 2002.

Sugarcreek Local School District
Greene County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, the Board of Education, 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 black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

November 18, 2002



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Sugarcreek Local School District
Greene County
60 East South Street
Bellbrook, Ohio 45305

Compliance

We have audited the compliance of Sugarcreek Local School District, Greene County (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The District's major federal programs are identified in the summary of auditor's 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of Sugarcreek Local School District, Greene County (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated November 18, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.



Jim Petro
Auditor of State

November 18, 2002

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
FOR THE YEAR ENDED JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	CFDA # 84.340 Title VI-R, Class Size Reduction Special Education Cluster: CFDA #84.027 Special Education Grants to States CFDA #84.173 Preschool Grant
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

Finding Number	2002-10329-01
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Ohio Rev. Code Section 5705.41(B), prohibits a subdivision from having budgetary expenditures (cash disbursements plus outstanding encumbrances) in excess of appropriations at the legal level control. The legal level of control is the level at which the Board of Education approves appropriations. For the District, this was at the fund level. Failure to ensure budgetary expenditures are within appropriations could result in the District incurring deficit fund balances.

The following funds had expenditures in excess of amounts appropriated at June 30, 2002.

Fund	Amount Appropriated	Encumbered and Expended	Unfavorable Variance
General Fund	\$17,016,295	\$17,906,315	\$890,018
Food Service Fund	\$448,984	\$652,871	\$203,887
Building Fund	\$0	\$185,361	\$185,361

In addition to the items referred to above, there were instances of immaterial noncompliance for the period examined. The Board of Education passed an appropriation amendment to address the deficiencies in appropriations subsequent to year end. The amended appropriations were not included in the general purpose financial statements due to the timing of the resolution.

To meet compliance with the above section of code and to reduce the risk of deficit fund balances, the District should develop procedures to timely monitor expenditures and encumbrances and compare with budgeted amounts. In instances where appropriations appear insufficient to meet projected needs, the Board should pass a resolution to amend. This analysis should also encompass a comparison to available resources.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Sugarcreek Local School District

Bellbrook, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2002

**Issued By:
Treasurer's Office**

**Kevin Liming
Treasurer**

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INTRODUCTORY SECTION

**SUGARCREEK LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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**SUGARCREEK LOCAL SCHOOL DISTRICT
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 FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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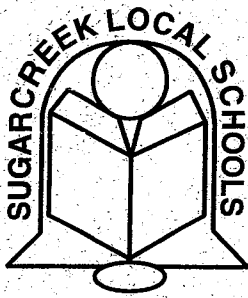
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**SUGARCREEK LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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SUGARCREEK LOCAL SCHOOL DISTRICT
"Soaring Toward Excellence"

KEVIN L. LIMING
Treasurer

November 18, 2002

To the Citizens and Board of Education of the Sugarcreek Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Sugarcreek Local School District. The information reported is for the fiscal year ended June 30, 2002. The report contains financial statements, supplemental statements and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2001-2002 fiscal year.

Responsibility for the accuracy, completeness and fairness of this report rests with the District and more specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects. Our report is designed to present fairly the financial position, results of operation and cash flows of the various funds and account groups of the District.

This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative services, and is representative of the District's continuing commitment to provide meaningful financial information to the citizens of the District.

The CAFR report is divided into three sections:

The Introductory Section introduces the reader to the report and provides an overview of the district and area. It also includes a table of contents, this transmittal letter, and a list of principal officials, District's organizational chart and Ohio Map.

The Financial Section includes the unqualified opinion of our independent auditor, Jim Petro, Auditor of State. It also includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules.

The Statistical Section includes selective financial, economic and demographic information generally presented on a multi-year basis for comparative purposes.

THE REPORTING ENTITY

The School District has reviewed its operating entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up Sugarcreek Local School District (the primary government) and its potential component units.

This report includes all funds and account groups of the district. The funds and account groups are used to account for the primary government's assets, liabilities, fund balances, and results of operations (or revenues over/under expenses) for those activities.

ECONOMIC CONDITION AND OUTLOOK

The Sugarcreek Local School District includes the City of Bellbrook, Sugarcreek Township and some parts of residential property located in Warren County. The population of this area is 13,650 residents. Bellbrook and Sugarcreek Township are considered an upscale residential suburb of Dayton. The socioeconomic profile of district residents, as measured by income levels and housing values, is substantially above average for the state.

Sugarcreek Township is situated directly on a major thoroughfare. Interstate 675 runs directly through the Township and connects Interstate 75 and Interstate 70. The City of Bellbrook and Sugarcreek Township comprise mostly residential areas and includes over 700 acres of public parks.

The community has seen recent growth not only in the residential area, but also commercially in the form of retail and restaurant development. This growth is expected to continue. There are currently several residential housing areas being developed and a new retail shopping center that was completed during the year north of Interstate 675.

MAJOR INITIATIVES

Primary accomplishments for 2002 were as follows:

Financial

- The Financial Advisory Committee met five times during the year to continue to work on financial strategies. Significant work conducted by this committee included among other things the establishment of the Bellbrook/Sugarcreek Education Foundation.
- Received the second annual award from the Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting for the District's 2001 Comprehensive Annual Financial Report.
- Received the second annual award from the Government Finance Officer's Associate (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for the District's 2001 Popular Annual Financial Report.
- Obtained funding for construction of a new transportation facility and a new athletic field house.

Curriculum and Instruction

- Continued the Extended-day Kindergarten Program for early intervention of identified at-risk kindergarten students.
- Added three additional primary-level teachers to reduce the student/teacher ratio during the 2001-2002 school year.
- Improved the Reading Intervention Service Plan for Grades K-5 by expanding small group and classroom reading intervention support through the Wilson Reading System, Earobics (phonological/auditory processing program), Zoophonics language arts, and the Ohio Reads Tutoring Program.
- Implemented the Building Blocks and Four-Blocks Literacy Frameworks to strengthen the early literacy program in grades K-3.
- Added four additional educational assistants to support at-risk 6th and 7th graders in social studies and science.
- Continued implementation of the Continuous Improvement Plan for Student Academic Achievement to improve teaching and learning.
- Earned an "Effective" performance rating on the 2002 District Report Card by meeting 24 of 27 performance indicators.
- Received an Ohio Reads Classroom Grant for \$60,000 to improve elementary reading intervention services at the fourth grade level through 2003.
- Implemented the IVDL Creates VIP Grant activities at Bellbrook Junior High School to increase innovative teaching practices through Interactive Video Distance Learning, funded by a \$65,000 Ohio Schoolnet Grant. The activities provided opportunities for video conferencing with students in different schools, virtual field trips, real-life applications for manufacturing engineering concepts, student-produced newscasts, and teacher collaboration with educators from other schools via IVDL.
- Initiated a Foreign Language Enrichment Pilot Program for students in grade 2 (French) and grade 5 (Spanish) as an introduction to other cultures/languages and to provide a foundation to later foreign language learning.

Technology

- Initiated the Community Tech Night Out program as an opportunity for the community to participate in low-cost computer training classes taught by school personnel. The classes involved 86 citizens who participated in 22 different sessions.
- Presented two offerings of the Technology Mentors Academy. 133 educators participated in this activity.
- Conducted Data For Student Learning (DSL) training for all staff and Interactive Video Distance Learning (IVDL) training for Bellbrook Junior High staff.
- Developed the foundation for a program to assure staff proficiency in the Basic Technology Competencies during the 2002-03 school year.
- Presented nationally known educational technology expert Dr. Annette Lamb as the featured speaker at the teacher in-service day.
- Initiated changes in the district website (www.sugarcreek.k12.oh.us) to assure compliance with the (ADA) Americans with Disabilities Act.
- Continued upgrade of district hardware, software, and networking systems by upgrading file servers, installing anti-virus software and networking software, and transitioning to a total Windows solution at the Sugarcreek Elementary School.

Facilities Initiatives

- Installed a new digital camera security system at the high school
- Installed new playground equipment at all elementary schools.
- Installed new central air conditioning on first floor at Sugarcreek Elementary School.
- Constructed a new stadium fieldhouse with locker rooms and a concession area.
- Purchased five new buses.
- Began planning for the construction of a new transportation facility center.
- Approved purchase of 70 acres of land for future growth needs.
- Installed a new roof at Stephen Bell Elementary and the high school, repaired roofs at the other three district school buildings.

Staff Development Initiatives

- Presented three teacher in-service days for staff supporting the implementation of the Continuous Improvement Plan for Student Academic Achievement.

Communications Initiatives

- Worked with Strategic Planning Associates of Dayton to formulate plans for improvement of communications with the community.
- Worked closely with the newly employed School/Community Relations Coordinator.

Specific goals for 2003 are:

Finance

- Receive the third annual award from the Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting for the District's 2002 Comprehensive Annual Financial Report.
- Receive the third annual award from the Government Finance Officer's Associate (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for the District's 2002 Popular Annual Financial Report.
- Continued support of the Financial Advisory Committee in the search for alternative funding sources.
- Support of the Bellbrook/Sugarcreek Education Foundation through communicating and education of the community.
- Support passage of the bond issue to build a new middle school and do various additions and renovations to the other buildings.

Curriculum and Instruction

- Continued improvement on District's department of education report card including obtaining the designation of academic excellence.

Technology

- Continue to upgrade instructional equipment including purchase of computers and IVDL equipment to be installed at Bellbrook Junior High School.
- Enhanced communication between District staff, parents and the community through use of Web Site and e-mail.
- Continued contact with community by providing technology based seminars.

Facilities

- Construction of a new middle school with renovations and additions to the other buildings.
- Continued review of current facilities and coordination of efforts with architectural firms.
- Purchase of 2-3 new buses.

Staff Development

- Continued enrichment through in-service and obtaining waive from State for additional staff development day.

Communications

- Upgrade in format for the District newsletter.
- Production and release of district information program on public access television.
- Continued communication with community through press and news releases.

SERVICE EFFORTS

The District established a Financial Advisory Committee, which consists of 17 members including District representatives as well as community members. Among the goals of this committee is establishment of a relationship between the community and the District that allows a cooperative effort in the success of our students. As a result of the efforts of this committee the Board approved establishment of the Bellbrook/Sugarcreek Education Foundation. This foundation will be a vehicle for providing additional resources to the school district in the form of scholarships, etc.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control

Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. The management of the District is responsible for establishing and maintaining an internal control environment that provides reasonable assurance the District's financial statements are reliable, the District complied with applicable laws and regulations and the District is operating effectively and efficiently.

The District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

The District maintains its accounts and accounting records to facilitate budgetary control as outlined by Ohio Revised Code. Before October 1st of each fiscal year the Board adopts its annual appropriation measure. These appropriations may be amended as needed by Board action. Annual appropriations and any amendments may not exceed the County Budget Commissions official estimate of resources. The County Auditor must certify that the Board's appropriation measures do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by the building principal, department supervisor, or appropriate central office director and must be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests, which exceed the available appropriations, are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail month and year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal is furnished the reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond. Additional information on the District's budgetary accounts can also be found in notes to the general purpose financial statements.

General Government Functions

The General Fund is the general operating fund of the District, used to account for all revenues and expenditures not required to be accounted for in another fund.

The following schedule presents a summary of the General Fund revenues for the fiscal years ended June 30, 2002 and the amount and percentage of increases and decreases in relation to the 2001 fiscal year.

	2002 Amount	Percent of Total	Increase (Decrease) From 2001	Percent of Increase (Decrease)
Taxes	\$9,291,913	56.6%	\$519,866	5.9%
Intergovernmental	6,694,742	40.8%	1,071,586	19.1%
Interest	79,041	0.5%	(165,775)	-67.7%
Tuition and Fees	224,098	1.4%	10,995	5.2%
Miscellaneous	125,684	0.7%	(119,319)	-48.7%
TOTAL	<u>\$16,415,478</u>	<u>100.0%</u>	<u>\$1,317,353</u>	<u>8.7%</u>

The increase in intergovernmental revenue was due to additional state funding for increased student population in fiscal year's 2000 and 2001. The decrease in interest was due to lower available cash balances and interest rates for investment.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended June 30, 2002, and the amount and percentage of increase or decrease in relation to the 2001 fiscal year.

	2002 Amount	Percent Of Total	Increase (Decrease) from 2001	Percent of Increase (Decrease)
Regular Instruction	\$7,982,835	45.9%	\$579,005	7.8%
Special Instruction	1,133,204	6.5%	93,618	9.0%
Pupil Support	828,603	4.8%	209,470	33.8%
Instructional Staff Support	1,550,524	8.9%	236,895	18.0%
Board of Education	21,670	0.1%	(3,236)	-13.0%
School Administration	1,341,714	7.7%	143,006	11.9%
Fiscal	437,988	2.5%	(21,896)	-4.8%
Business	104,742	0.6%	42,608	68.6%
Operations and Maintenance	1,615,805	9.3%	194,631	13.7%
Pupil Transportation	1,397,561	8.1%	64,546	4.8%
Central Support	98,210	0.6%	(6,974)	-6.6%
Non-Instructional Services	31,276	0.2%	24,926	392.5%
Extracurricular Activities	358,424	2.1%	46,857	15.0%
Capital Outlay	189,985	1.1%	178,035	1489.8%
Principal Retirement	243,253	1.4%	27,933	13.0%
Interest and Fiscal Charges	41,638	0.2%	(428)	-1.0%
TOTAL	<u>\$17,377,432</u>	<u>100.0%</u>	<u>\$1,808,996</u>	<u>11.6%</u>

The increase in expenditures for all functions showing an increase were due to general inflation, negotiated pay increases for all staff and minimal staff increases. Capital outlay expenditures increased due to the preliminary costs of the transportation facility and the construction costs associated with the Field house.

Special Revenue Funds

Special Revenue funds account for certain revenue sources, primarily program grants and entitlements restricted by law or other formal actions to expend for a specific purpose. In 2002, all Special Revenue Funds on a combined basis operated with \$934,847 in revenues and other financing sources and \$967,322 in expenditures.

Capital Projects Funds

The District's Capital Projects Funds are used to fund major equipment purchases and major capital improvement projects such as parking lots, bus purchases, roofs and heating and air conditioning units. These funds ended fiscal year 2002 with a fund balance of \$(837,883). The deficit fund balance results from adjustments for accrued liabilities, including short-term debt. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur. Additional information concerning the fund deficit can be found in Note 19.

Enterprise Fund

The District's Enterprise Fund is a Food Service Fund. This fund operates similar in nature to profit making activities found in private sector and are managed accordingly. The District's Food Service Fund ended the fiscal year with total fund equity of \$94,318, including an unreserved retained earnings deficit of \$3,131. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur. The general fund transferred \$149,459 into this fund to cover deficits that have accumulated over a two-year span.

Trust and Agency Funds

Trust and Agency Funds require fiduciary relationship in their management of the District. The District's Expendable Trust Fund has a balance of \$ 4,011 at June 30, 2002. The District's Non-Expendable Trust Fund has a balance of \$ 113,662 at June 30, 2002. The Agency fund utilized by the District is used to account for Student Activity Funds. The Student Activity Funds represent a large variety of student groups from the high schools and middle schools. Assets at year-end were \$54,709.

DEBT ADMINISTRATION

The District has six debt issues outstanding at June 30, 2002: a 1994 School Improvement Issue for a new high school, a 1999 Computer Acquisition Bond, two Energy Conservation Loans, Unvoted Bus Facility Construction Notes, and a 1998 Permanent Improvement Tax Anticipation Note. The voted legal debt margin of the District at June 30, 2002 was \$24,214,923 and the unvoted legal debt margin at June 30, 2002 was \$335,731.

CASH MANAGEMENT

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. All investments are spread among available investment options to insure maximum interest rates. The District utilizes the STAR Ohio program investment pool, operated by the Ohio Treasurer of State, mutual funds and repurchase agreements for ready cash and yield. Investment earnings for all funds during the fiscal year were \$82,558.

RISK MANAGEMENT

The District continues to protect its assets through a comprehensive insurance program. Insurance policies for fleet liability, property loss and boiler and machinery are purchased from the Indiana Insurance Company. Insurance for general and excess liability is purchased through the Great American Alliance Insurance Company.

All employees are covered under the District's liability policy with the Great American Alliance Insurance Company. The Superintendent and Board President are covered with a \$20,000 performance bond from Ohio Casualty Insurance Company. The Treasurer is covered with a \$50,000 performance from Wausau Insurance Company.

The District uses the State Workers' Compensation plan and pays the premium based on a rate per \$100 of salaries. The School District is a member of Southwestern Ohio Educational Purchasing Cooperative Workers' Compensation Group Rating Program.

INDEPENDENT AUDIT

State statutes require the School District to be subjected to an annual examination by an independent auditor. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2002. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governments that publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The District received this award from GFOA for the 2001 Comprehensive Annual Financial Report. This year's report will also be submitted for this award.

ACKNOWLEDGEMENTS

The preparation of the 2002 Comprehensive Annual Financial Report was made possible by many, not only through effort but also through support. Gratitude is extended to the Sugarcreek Board of Education for their support of the Treasurer's office that allows reliable and progressive financial operations and reporting.

Appreciation for the preparation is also extended to the Sugarcreek Local School community, Clark, Schaefer, Hackett & Company, Nick Falzerano, Richard Cost, Sharon Cost, Jo Ann Weber, and Kelly Brown.

Respectfully submitted,

Kevin L. Liming
Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sugarcreek Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Thomas A. Brewer
President

Jeffrey L. Esser
Executive Director

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2002

Board of Education

Michael Froning, President

Dr. Timothy Anderson, Vice President

Mary Frantz, Member

Elizabeth Beth, Member

Dr. John Harmeyer, Member

Administration Team

Dr. Keith St. Pierre, Superintendent

Kevin Liming, Treasurer

William Wright, Business Manager

Katherine Poston, Director of Curriculum

Terry Strieter, Special Education Supervisor

Charles Birkholtz, Principal, Bellbrook High School

Amy Baldrige, Assistant Principal, Bellbrook High School

Bradley Neavin, Assistant Principal, Bellbrook High School

Jenness Sigman, Principal, Bellbrook Junior High School

Jeff Eckley, Assistant Principal, Bellbrook Junior High School

Patricia Stricker, Principal, Bell Creek Elementary School

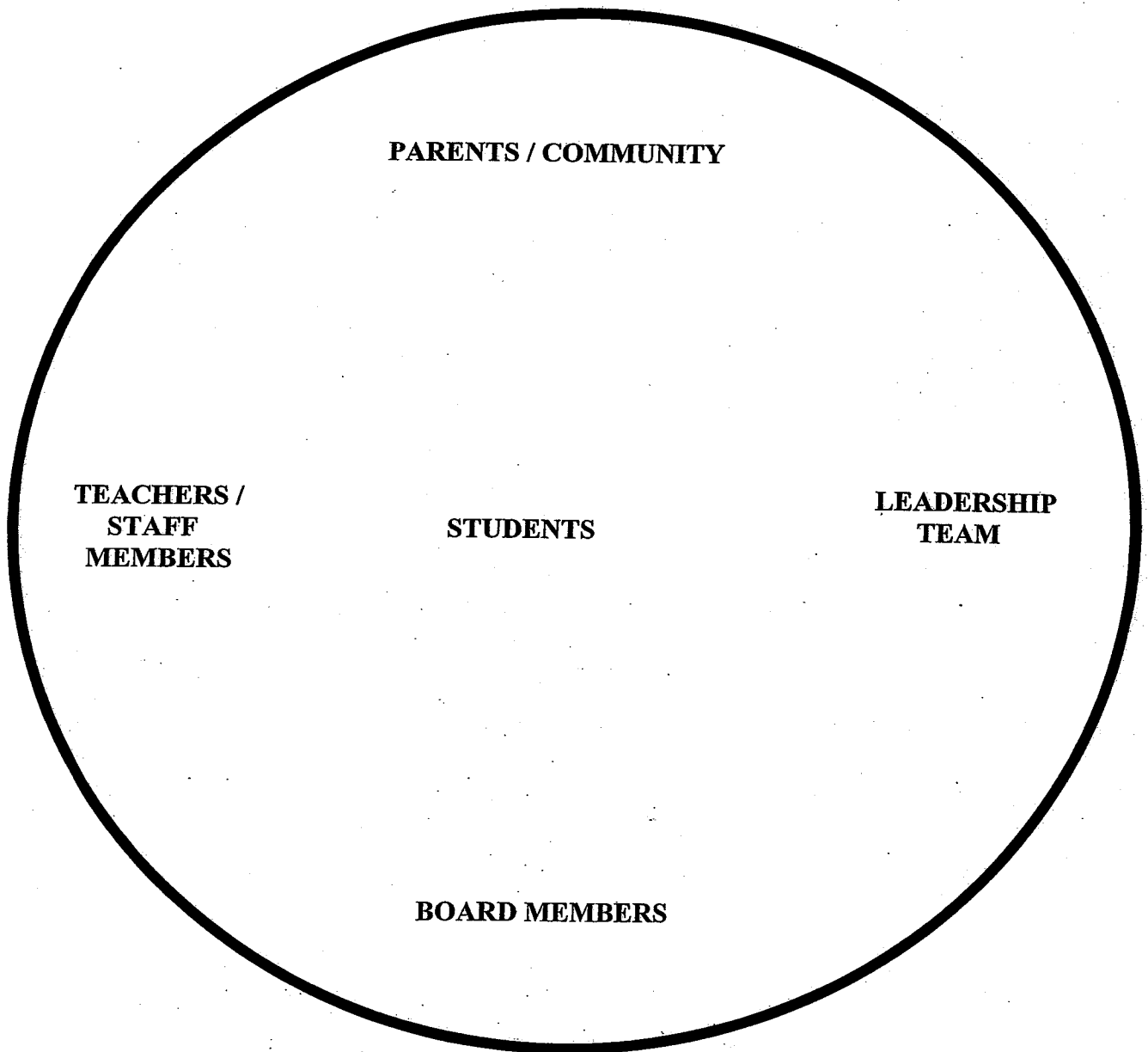
Steven Shank, Principal, Sugarcreek Elementary School

Michael Baldrige, Principal, Stephen Bell School

SUGARCREEK LOCAL SCHOOL DISTRICT'S

LEARNING COMMUNITY

ORGANIZATIONAL CHART



SUGARCREEK LOCAL SCHOOL DISTRICT

State Map



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FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Sugarcreek Local School District
Greene County
60 East South Street
Bellbrook, Ohio 45305

We have audited the accompanying general-purpose financial statements of Sugarcreek Local School District, Greene County (the District), as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose 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 opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Sugarcreek Local School District, Greene County, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2002, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

November 18, 2002

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 447,254	\$ 257,892	\$ 607,906	\$ 773,565
Restricted Cash and Cash Equivalents	45,306	-	-	-
Receivables:				
Taxes	8,836,049	-	1,063,859	561,331
Accounts	14,164	-	-	-
Intergovernmental	-	1,740	-	504
Interfund	545	-	-	-
Prepaid Items	8,973	-	-	-
Supplies Inventory	32,795	-	-	-
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	-	-	-	-
Other Debits:				
Amount Available in General Obligation Bond Retirement Fund	-	-	-	-
Amount to be Provided for Retirement of General Long Term Obligations	-	-	-	-
Total Assets and Other Debits	\$ 9,385,086	\$ 259,632	\$ 1,671,765	\$ 1,335,400
Liabilities, Fund Equity and Other Credits				
Liabilities:				
Accounts Payable	\$ 48,884	\$ 4,730	\$ -	\$ 690
Accrued Wages and Benefits	1,462,081	9,954	-	-
Intergovernmental Payable	436,296	-	-	-
Interfund Payable	-	545	-	-
Due to Students	-	-	-	-
Deferred Revenue	8,114,695	1,740	1,006,557	512,593
Compensated Absences Payable	17,478	-	-	-
Notes Payable	-	-	-	1,660,000
Energy Conservation Loan Payable	-	-	-	-
Capital Lease Obligation	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Total Liabilities	10,079,434	16,969	1,006,557	2,173,283
Equity and Other Credits:				
Investment in General Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings:				
Unreserved	-	-	-	-
Fund Balances:				
Reserved for Encumbrances	107,613	59,677	437	152,309
Reserved for Supplies Inventory	32,795	-	-	-
Reserved for Prepays	8,973	-	-	-
Reserved for Taxes	721,354	-	57,302	49,242
Reserved for Non-Expendable Trust	-	-	-	-
Reserved for Debt Service	-	-	607,469	-
Reserved for Budget Stabilization	45,306	-	-	-
Unreserved	(1,610,389)	182,986	-	(1,039,434)
Total Equity and Other Credits	(694,348)	242,663	665,208	(837,883)
Total Liabilities, Equity and Other Credits	\$ 9,385,086	\$ 259,632	\$ 1,671,765	\$ 1,335,400

See accompanying notes to the general purpose financial statements

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ENTERPRISE	TRUST AND AGENCY			
\$ 8,690	\$ 174,702	\$ -	\$ -	\$ 2,270,009
-	-	-	-	45,306
-	-	-	-	10,461,239
-	-	-	-	14,164
-	-	-	-	2,244
-	-	-	-	545
-	-	-	-	8,973
-	-	-	-	32,795
99,626	-	23,762,052	-	23,861,678
-	-	-	607,469	607,469
-	-	-	8,217,675	8,217,675
<u>\$ 108,316</u>	<u>\$ 174,702</u>	<u>\$ 23,762,052</u>	<u>\$ 8,825,144</u>	<u>\$ 45,522,097</u>
\$ 13,998	\$ 2,320	\$ -	\$ -	\$ 70,622
-	-	-	-	1,472,035
-	-	-	124,472	560,768
-	-	-	-	545
-	54,709	-	-	54,709
-	-	-	-	9,635,585
-	-	-	1,028,647	1,046,125
-	-	-	-	1,660,000
-	-	-	372,000	372,000
-	-	-	498,870	498,870
-	-	-	6,801,155	6,801,155
<u>13,998</u>	<u>57,029</u>	<u>-</u>	<u>8,825,144</u>	<u>22,172,414</u>
-	-	23,762,052	-	23,762,052
97,449	-	-	-	97,449
(3,131)	-	-	-	(3,131)
-	20	-	-	320,056
-	-	-	-	32,795
-	-	-	-	8,973
-	-	-	-	827,898
-	95,504	-	-	95,504
-	-	-	-	607,469
-	-	-	-	45,306
-	22,149	-	-	(2,444,688)
<u>94,318</u>	<u>117,673</u>	<u>23,762,052</u>	<u>-</u>	<u>23,349,683</u>
<u>\$ 108,316</u>	<u>\$ 174,702</u>	<u>\$ 23,762,052</u>	<u>\$ 8,825,144</u>	<u>\$ 45,522,097</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2002

	GOVERNMENTAL FUND TYPES				FIDUCIARY	TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	
Revenues:						
Taxes	\$ 9,291,913	\$ -	\$ 1,033,442	\$ 289,222	\$ -	\$ 10,614,577
Intergovernmental	6,694,742	394,334	81,140	137,222	-	7,307,438
Interest	79,041	-	-	105	150	79,296
Tuition and Fees	224,098	150,241	-	-	-	374,339
Extracurricular Activities	-	344,884	-	-	-	344,884
Miscellaneous	125,684	45,388	-	10,100	1,556	182,728
Total Revenues	16,415,478	934,847	1,114,582	436,649	1,706	18,903,262
Expenditures:						
Current:						
Instruction:						
Regular	7,982,835	55,363	-	1,036	-	8,039,234
Special	1,133,204	246,957	-	-	-	1,380,161
Vocational	-	560	-	-	-	560
Support Services:						
Pupils	828,603	33,878	-	3,933	4,598	871,012
Instructional Staff	1,550,524	64,118	-	71,994	-	1,686,636
Board of Education	21,670	-	-	-	-	21,670
Administration	1,341,714	-	-	6,260	-	1,347,974
Fiscal	437,988	-	10,573	9,022	-	457,583
Business	104,742	-	-	-	-	104,742
Plant Operation and Maintenance	1,615,805	2,528	-	136,079	-	1,754,412
Pupil Transportation	1,397,561	1,184	-	-	-	1,398,745
Central	98,210	4,836	-	-	-	103,046
Non-Instructional Services	31,276	-	-	-	-	31,276
Extracurricular Activities	358,424	557,898	-	42,645	-	958,967
Capital Outlay	189,985	-	-	419,553	-	609,538
Debt Service:						
Principal Retirement	243,253	-	504,360	99,435	-	847,048
Interest and Fiscal Charges	41,638	-	286,007	58,247	-	385,892
Total Expenditures	17,377,432	967,322	800,940	848,204	4,598	19,998,496
Excess of Revenues Over(Under)						
Expenditures	(961,954)	(32,475)	313,642	(411,555)	(2,892)	(1,095,234)
Other Financing Sources (Uses):						
Operating Transfers-In	-	-	-	584,529	-	584,529
Operating Transfers-Out	(403,979)	-	(330,009)	-	-	(733,988)
Total Other Financing Sources (Uses)	(403,979)	-	(330,009)	584,529	-	(149,459)
Excess of Revenues and Other						
Financing Sources Over(Under)						
Expenditures and Other Financing Uses	(1,365,933)	(32,475)	(16,367)	172,974	(2,892)	(1,244,693)
Fund Balance at Beginning of Year	671,781	275,138	681,575	(1,010,857)	6,903	624,540
Decrease in Reserve for Inventory	(196)	-	-	-	-	(196)
Fund Balance at End of Year	\$ (694,348)	\$ 242,663	\$ 665,208	\$ (837,883)	\$ 4,011	\$ (620,349)

See accompanying notes to the general purpose financial statements

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 8,634,391	\$ 9,180,717	\$ 546,326
Intergovernmental	6,094,126	6,694,742	600,616
Interest	72,398	91,354	18,956
Tuition and Fees	191,009	219,594	28,585
Extracurricular Activities	-	-	-
Miscellaneous	99,207	109,223	10,016
Total Revenues	15,091,131	16,295,630	1,204,499
Expenditures:			
Current:			
Instruction:			
Regular	7,437,442	8,036,906	(599,464)
Special	1,056,799	1,117,617	(60,818)
Vocational	-	-	-
Support Services:			
Pupils	724,176	789,083	(64,907)
Instructional Staff	1,600,407	1,680,561	(80,154)
Board of Education	28,442	17,719	10,723
Administration	1,203,301	1,307,996	(104,695)
Fiscal	458,481	440,911	17,570
Business	107,764	116,751	(8,987)
Plant Operation and Maintenance	1,538,859	1,631,156	(92,297)
Pupil Transportation	1,452,561	1,432,364	20,197
Central	148,739	108,964	39,775
Non-Instructional Services	10,999	6,975	4,024
Extracurricular Activities	334,649	360,826	(26,177)
Capital Outlay	238,216	183,045	55,171
Debt Service:			
Principal Retirement	245,653	245,653	-
Interest and Fiscal Charges	25,799	25,799	-
Total Expenditures	16,612,287	17,502,326	(890,039)
Excess of Revenues Over(Under) Expenditures	<u>(1,521,156)</u>	<u>(1,206,696)</u>	<u>314,460</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Debt	-	-	-
Refund of Prior Year Expenditures	48,886	22,763	(26,123)
Advances-In	105,000	110,600	5,600
Advances-Out	-	-	-
Operating Transfers-In	-	-	-
Operating Transfers-Out	(404,000)	(403,979)	21
Total Other Financing Sources (Uses)	(250,114)	(270,616)	(20,502)
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(1,771,270)</u>	<u>(1,477,312)</u>	<u>293,958</u>
Fund Balance at Beginning of Year	1,387,418	1,387,418	-
Prior Year Encumbrances Appropriated	403,450	403,450	-
Fund Balance at End of Year	\$ 19,598	\$ 313,556	\$ 293,958

(Continued)

See accompanying notes to the general purpose financial statements

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(Continued)

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 427,856	\$ 1,026,192	\$ 598,336
Intergovernmental	323,300	351,441	28,141	67,685	81,140	13,455
Interest	-	-	-	-	-	-
Tuition and Fees	163,600	150,241	(13,359)	-	-	-
Extracurricular Activities	281,040	344,884	63,844	-	-	-
Miscellaneous	33,398	44,924	11,526	-	-	-
Total Revenues	801,338	891,490	90,152	495,541	1,107,332	611,791
Expenditures:						
Current:						
Instruction:						
Regular	50,687	62,769	(12,082)	-	-	-
Special	204,660	206,693	(2,033)	-	-	-
Vocational	560	560	-	-	-	-
Support Services:						
Pupils	21,986	24,004	(2,018)	-	-	-
Instructional Staff	78,212	72,690	5,522	-	-	-
Board of Education	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Fiscal	-	-	-	11,553	10,573	980
Business	-	-	-	-	-	-
Plant Operation and Maintenance	2,528	2,528	-	-	-	-
Pupil Transportation	1,250	1,184	66	-	-	-
Central	3,967	6,086	(2,119)	-	-	-
Non-Instructional Services	-	-	-	-	-	-
Extracurricular Activities	576,519	606,360	(29,841)	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	1,044,670	1,051,641	(6,971)
Interest and Fiscal Charges	-	-	-	325,361	323,691	1,670
Total Expenditures	940,369	982,874	(42,505)	1,381,584	1,385,905	(4,321)
Excess of Revenues Over(Under) Expenditures	(139,031)	(91,384)	47,647	(886,043)	(278,573)	607,470
Other Financing Sources (Uses):						
Proceeds from Sale of Debt	-	-	-	-	-	-
Refund of Prior Year Expenditures	449	575	126	-	-	-
Advances-In	-	-	-	-	-	-
Advances-Out	-	(35,600)	(35,600)	-	-	-
Operating Transfers-In	644	-	(644)	254,520	254,520	-
Operating Transfers-Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,093	(35,025)	(36,118)	254,520	254,520	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(137,938)	(126,409)	11,529	(631,523)	(24,053)	607,470
Fund Balance at Beginning of Year	233,735	233,735	-	623,577	623,577	-
Prior Year Encumbrances Appropriated	86,328	86,328	-	7,946	7,946	-
Fund Balance at End of Year	\$ 182,125	\$ 193,654	\$ 11,529	\$ -	\$ 607,470	\$ 607,470

See accompanying notes to the general purpose financial statements

CAPITAL PROJECT FUNDS			EXPENDABLE TRUST FUND		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 562,564	\$ 281,600	\$ (280,964)	\$ -	\$ -	\$ -
114,972	137,222	22,250	-	-	-
-	105	105	344	150	(194)
-	-	-	-	-	-
-	-	-	-	-	-
-	10,100	10,100	2,363	1,733	(630)
<u>677,536</u>	<u>429,027</u>	<u>(248,509)</u>	<u>2,707</u>	<u>1,883</u>	<u>(824)</u>
7,536	1,036	6,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,000	3,933	67	5,818	4,618	1,200
87,091	71,995	15,096	-	-	-
-	-	-	-	-	-
6,300	6,260	40	-	-	-
9,100	9,022	78	-	-	-
-	-	-	-	-	-
144,266	136,079	8,187	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
66,900	66,809	91	-	-	-
448,994	670,548	(221,554)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>774,187</u>	<u>965,682</u>	<u>(191,495)</u>	<u>5,818</u>	<u>4,618</u>	<u>1,200</u>
<u>(96,651)</u>	<u>(536,655)</u>	<u>(440,004)</u>	<u>(3,111)</u>	<u>(2,735)</u>	<u>376</u>
330,000	1,080,000	750,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>330,000</u>	<u>1,080,000</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
233,349	543,345	309,996	(3,111)	(2,735)	376
66,146	66,146	-	4,199	4,199	-
11,074	11,074	-	2,018	2,018	-
<u>\$ 310,569</u>	<u>\$ 620,565</u>	<u>\$ 309,996</u>	<u>\$ 3,106</u>	<u>\$ 3,482</u>	<u>\$ 376</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY/FUND BALANCE
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	TOTAL (MEMORANDUM ONLY)
	Enterprise	Non-Expendable Trust	
Operating Revenues:			
Sales	\$ 402,322	\$ -	\$ 402,322
Gifts and Donations	-	15,407	15,407
Interest Earnings	-	2,932	2,932
Total Operating Revenue	402,322	18,339	420,661
Operating Expenses:			
Purchased Services	505,373	-	505,373
Supplies and Materials	394	-	394
Scholarships	-	4,118	4,118
Depreciation	29,472	-	29,472
Total Operating Expenses	535,239	4,118	539,357
Operating Income (Loss)	(132,917)	14,221	(118,696)
Non-Operating Revenues:			
Federal and State Subsidies	55,279	-	55,279
Interest	330	-	330
Total Non-Operating Income	55,609	-	55,609
Income (Loss) before Transfers	(77,308)	14,221	(63,087)
Transfer-In	149,459	-	149,459
Net Income (Loss)	72,151	14,221	86,372
Retained Earnings/Fund Balance			
Beginning of Year	(75,282)	99,441	24,159
Retained Earnings/Fund Balance - End of Year	(3,131)	113,662	110,531
Contributed Capital - Beginning of Year - Restated	97,449	-	97,449
Changes in Contributed Capital During Year	-	-	-
Contributed Capital at End of Year	97,449	-	97,449
Total Fund Equity at End of Year	\$ 94,318	\$ 113,662	\$ 207,980

See accompanying notes to the general purpose financial statements

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	ENTERPRISE FUND			NON-EXPENDABLE TRUST FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Sales	\$ 223,018	\$ 402,322	\$ 179,304	\$ -	\$ -	\$ -
Interest Earnings	500	330	(170)	6,734	2,932	(3,802)
Federal and State Subsidies	48,483	55,279	6,796	-	-	-
Gifts and Donations	-	-	-	-	15,327	15,327
Total Operating Revenues	<u>272,001</u>	<u>457,931</u>	<u>185,930</u>	<u>6,734</u>	<u>18,259</u>	<u>11,525</u>
Expenses:						
Purchased Services	373,591	577,478	(203,887)	-	-	-
Miscellaneous	394	394	-	4,893	4,943	(50)
Total Expenditures	<u>373,985</u>	<u>577,872</u>	<u>(203,887)</u>	<u>4,893</u>	<u>4,943</u>	<u>(50)</u>
Excess of Revenues Over (Under) Expenses	(101,984)	(119,941)	(17,957)	1,841	13,316	11,475
Other Financing Sources:						
Transfer-In	149,459	149,459	-	-	-	-
Advance-Out	(75,000)	(75,000)	-	-	-	-
Total Other Financing Sources(Uses)	<u>74,459</u>	<u>74,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses	(27,525)	(45,482)	(17,957)	1,841	13,316	11,475
Fund Equity at Beginning of Year	18,088	18,088	-	94,949	94,949	-
Prior Year Encumbrances Appropriated	36,084	36,084	-	1,893	1,893	-
Fund Equity at End of Year	<u>\$ 26,647</u>	<u>\$ 8,690</u>	<u>\$ (17,957)</u>	<u>\$ 98,683</u>	<u>\$ 110,158</u>	<u>\$ 11,475</u>

See accompanying notes to the general purpose financial statements

SUGARCREEK LOCAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>PROPRIETARY FUND TYPE</u>	<u>FIDUCIARY FUND TYPE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>NON- EXPENDABLE TRUST</u>	
<u>Increase (Decrease) in Cash and Cash Equivalents</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 402,322	\$ -	\$ 402,322
Cash Received from Gifts and Donations	-	15,407	15,407
Cash Payments for Goods and Services	(577,872)	-	(577,872)
Cash Payments for Scholarships	-	(2,718)	(2,718)
Net Cash Provided by (Used in) Operating Activities	<u>(175,550)</u>	<u>12,689</u>	<u>(162,861)</u>
Cash Flows from Noncapital Financing Activities:			
Federal and State Subsidies	55,279	-	55,279
Operating Transfer-In	149,459	-	149,459
Advances to Other Funds	(75,000)	-	(75,000)
Net Cash Provided from Noncapital Financing Activities	<u>129,738</u>	<u>-</u>	<u>129,738</u>
Cash Flows from Investing Activities:			
Interest	<u>330</u>	<u>2,932</u>	<u>3,262</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(45,482)	15,621	(29,861)
Cash and Cash Equivalents Beginning of Year	<u>54,172</u>	<u>99,441</u>	<u>153,613</u>
Cash and Cash Equivalents End of Year	<u>\$ 8,690</u>	<u>\$ 115,062</u>	<u>\$ 123,752</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ (132,917)	\$ 14,221	\$ (118,696)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	29,472	-	29,472
Interest Reported as Operating Income	-	(2,932)	(2,932)
Changes in Assets and Liabilities			
Increase (Decrease) in Accounts Payable	<u>(72,105)</u>	<u>1,400</u>	<u>(70,705)</u>
Net Cash Provided by Operating Activities	<u>\$ (175,550)</u>	<u>\$ 12,689</u>	<u>\$ (162,861)</u>
Cash and Cash Equivalents per Balance Sheet:			
Expendable Trust Funds		\$ 4,931	
Non-Expendable Trust Funds		115,062	
Agency Funds		<u>54,709</u>	
Total Cash and Cash Equivalents per Combined Balance Sheet		<u>\$ 174,702</u>	

See accompanying notes to the general purpose financial statements

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

1. DESCRIPTION OF THE SCHOOL DISTRICT

Sugarcreek Local School 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 first official body designated as the Sugarcreek Local School District was formed sometime prior to 1930.

The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the District's instructional/support facilities staffed by a full-time equivalent staff of 275 employees who provide services to 2,651 students and other community members.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading.

The primary government consists of all funds and departments, which provide various services including instruction, student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing body and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations for which the School District approves the budget, the issuance of debt or the levying of taxes.

The School District does not have any component units.

The District is associated with four organizations, which are defined as jointly governed. These organizations include the Miami Valley Educational Computer Association, the Southwestern Ohio Educational Purchasing Cooperative, the Greene County Career Center, and the Bellbrook/Sugarcreek Education Foundation. These organizations are presented in Note 16 to the general-purpose financial statements.

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary and trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types.

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

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Projects Funds – Capital project funds are used to account for financial resources to be used for major equipment purchases and major capital improvement projects (other than those financed by the proprietary and trust funds).

Proprietary Fund Type

Proprietary funds are used to account for a School District's ongoing activities that are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position and changes in financial position. The following is the School District's proprietary fund type:

Enterprise Fund – The enterprise fund is used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services be financed or recovered primarily through user charges. During fiscal year 2001, the School District initiated a school food service program, which is being accounted for as an enterprise fund.

Fiduciary Fund Types

Fiduciary Funds 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. The School District's fiduciary funds include expendable trust, non-expendable trust and agency funds. The expendable trust fund is accounted for in essentially the same manner as governmental funds. The non-expendable trust fund is accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of the general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group – This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary and trust funds.

General Long-Term Obligations Account Group – This account is established to account for all long-term obligations of the School District except those accounted for in the proprietary and trust funds.

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The enterprise fund and non-expendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are associated with the operation of these funds and are included on the balance sheet. The operating statements of the proprietary fund and non-expendable trust funds present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Full accrual basis of accounting is followed for the proprietary and non-expendable trust funds.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements including timing requirements, which specify the year when the sources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Budgets and Budgetary Accounting

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, 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 appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

With the exception of the Miscellaneous Federal Grants Special Revenue Fund, the fund used to account for funds and services provided by the County Educational Service Center on behalf of the District, and the agency funds, all funds are legally required to be budgeted and appropriated. The legal level of control is at the individual fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing on the following July 1. The budget includes proposed expenditures and means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Greene County Budget Commission for rate determination.

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the 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 2002.

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The budget figures, which appear in the statements of budgetary comparison, represent the final appropriation amounts, including all amendments and modifications. The School District made eight amendments to appropriations during fiscal year 2002.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditure for governmental funds and reported in the notes to the financial statements for proprietary funds.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is deposited into a central bank account. Monies for all funds are pooled in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented on the balance sheet as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2002, investments consisted of repurchase agreements and STAR Ohio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The School District has invested funds in the State Treasury Assets Reserves of Ohio (STAR Ohio) during fiscal year 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002.

For the purposes of the combined balance statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest credited to the general fund during fiscal year 2002 amounted to \$79,041, which includes the general funds allocation as well as the allocations of all funds not specified in the Board's resolution. Interest was also recorded in the capital projects, expendable trust, enterprise and non-expendable trust funds in the amounts of \$105, \$150, \$330 and \$2,932, respectively.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Supplies Inventory

Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures in the governmental fund types when purchased. Reported supplies inventory is equally offset by a fund balance reserve in the governmental fund indicating that it does not constitute available expendable resources even though it is a component of net current assets.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002 are recorded as prepaid items by using the consumption method and recording a current asset for the prepaid amount and reflecting the expenditure in the current year in which services are consumed.

Short-Term Interfund Receivables/Payables

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term loans are classified as "interfund receivables/payables".

For fiscal year 2002, a \$545 interfund receivable has been recorded in the General Fund and interfund payable of \$545 Title VI Grant Fund representing an advance made from the general fund for cash flow purposes and will be repaid once sufficient grant funds are received in the grant fund.

Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in the governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the enterprise fund are capitalized in that fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions or retirements during the year.

Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. The District does not have any infrastructure.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Interest incurred during construction of general fixed assets is also not capitalized. Assets in the general fixed asset account group are not depreciated. Depreciation of furniture and equipment in the enterprise fund is computed using the straight-line method over an estimated useful life of ten years.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued using the vesting method which states that the District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

For governmental funds, the District provides a liability for accumulated, unpaid vacation time and sick leave for eligible employees in the period in which the employee becomes eligible to receive payment. The current portion of the unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group.

Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after fiscal year end are considered not to have used current financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the general long-term obligations account group until due.

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles require the reporting of the liability in the funds that received the proceeds.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reservations and Designations of Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances, supplies inventory, prepaids, taxes, non-expendable trust principal, debt service and a budget stabilization account.

Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred.

The School District currently participates in numerous state and federal programs, categorized as follows:

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Program

Non-Reimbursement Grants

Special Revenue Funds

- Teacher Development
- Educational Management Information Systems
- Data Communications
- Professional Technology Development
- Ohio Reads
- Summer Intervention
- Safe School Helpline
- Title II
- Title VI-B
- Vocational Education
- Title I
- Title VI
- Drug Free Schools Education
- Title VI-R

Capital Project Funds

- Video Distance Learning
- School Net Plus

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reimbursement Grants

- Special Revenue Funds
 - School to Work Grant
- Enterprise Fund
 - National School Lunch Program

In addition, the School District receives services from the County Educational Service Center, which administers different programs on their behalf. Intergovernmental revenue, and the corresponding expenditure, is recognized when the services are provided by the Service Center. A receivable and corresponding deferred revenue is recorded for the School District's portion of any remaining resources related to these programs.

Grants and entitlements for governmental funds amounted to 39 percent of governmental fund revenue during the 2002 fiscal year.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expense in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as operating transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

Estimates

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

Total Columns on General Purpose Financial Statements

Total columns on the General Purpose Financial Statements overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**SUGARCREEK LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002**

3. PRIOR PERIOD ADJUSTMENT

During fiscal year 2002, the School District determined capital assets utilized in the enterprise fund were being reported in the General Fixed Asset Account Group. In addition, there were immaterial variances between the capital asset inventory records and the amount being reported on the financial statements. Adjustments were made to correct these accounts, which requires the restatement of July 1, 2001 balances for contributed capital in the enterprise fund, as well as, fixed assets in the general fixed asset account group. The restatement of these accounts is summarized below:

<u>Fund Equity/Account Group</u>	<u>Balance at June 30, 2001</u>	<u>Restated Balance at July 1, 2002</u>
Food Service Enterprise Fund – Contributed Capital	\$ -	\$ 97,449
General Fixed Asset Account Group	23,973,747	23,612,579

4. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law requires accounting for certain transactions on the basis of cash receipts, disbursements, appropriations and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Budget Basis), All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity, Budget and Actual (Budget Basis), Nonexpendable Trust Fund, are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on debt obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

The adjustments necessary to convert the results of operations for the year ended June 30, 2002 on the GAAP basis to the budget basis are as follows:

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

Excess of Revenues and
Other Financing Sources Over (Under)
Expenditures and Other Financing Uses

Governmental Fund Types and Expendable Trust Funds

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Expendable Trust Funds</u>
GAAP Basis	\$(1,365,933)	\$ (32,475)	\$ (16,367)	\$ 172,974	\$ (2,892)
Revenue accruals	(119,848)	(43,357)	(7,250)	(7,622)	177
Expenditure accruals	54,129	73,690	(584,528)	35,521	920
Encumbrances	(179,023)	(89,242)	(437)	(152,999)	(940)
Prior Year Expenditures	22,763	575	-	-	-
Transfers in (out)	-	-	584,529	(584,529)	-
Advances in (out)	110,600	(35,600)	-	-	-
Note proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,080,000</u>	<u>-</u>
Budget Basis	<u>\$(1,477,312)</u>	<u>\$ (126,409)</u>	<u>\$ (24,053)</u>	<u>\$ 543,345</u>	<u>\$ (2,735)</u>

Net Income /Excess of Revenues Over
(Under) Expenses and Operating Transfers

Proprietary Fund Type and Nonexpendable Trust Fund

	<u>Enterprise</u>	<u>Nonexpendable Trust</u>
GAAP basis (as reported)	\$ 72,151	\$ 14,221
Adjustments:		
Revenue accruals	-	(80)
Expense accruals	(72,105)	1,400
Depreciation expense	29,472	-
Encumbrances	-	(2,225)
Advances in (out)	<u>(75,000)</u>	<u>-</u>
Budget basis	<u>\$ (45,482)</u>	<u>\$ 13,316</u>

5. DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the School District into three categories.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

5. DEPOSITS AND INVESTMENTS (Continued)

Category 1 consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies must be maintained either as cash in the School Treasury, in depository accounts payable, withdrawals on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of "inactive" monies, those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by the certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

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

In general, investments must mature or be redeemable within two years from the date of purchase. Interim monies may be invested in the following obligations:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or 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 governmental agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

5. DEPOSITS AND INVESTMENTS (Continued)

6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time;

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched-to a specific obligation or debt of the School District and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation or transfer from the custodian.

Deposits

At fiscal year end, the carrying amount of the School District deposit was \$(263,693) and the bank balance was \$10,505. The entire bank balance was covered by federal depository insurance.

Investments

The School District's investments are categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered, or securities held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name. The School District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

At June 30, 2002 the District had investments consisting of overnight repurchase agreements, mutual fund and STAR Ohio. The fair value of the overnight repurchase agreement and mutual fund was \$937,628 and \$1,638,549; both are classified as category 3 investments. The School District's share of STAR Ohio was stated at \$2,831 and is not classified.

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in GASB Statement No. 9, "Reported Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." Cash equivalents are defined to include investments with original maturities of three months or less.

**SUGARCREEK LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002**

5. DEPOSITS AND INVESTMENTS (Continued)

A reconciliation between classifications of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents <u>Deposits</u>	<u>Investments</u>
GASB Statement 9	\$2,315,315	\$ -
Investments of the Cash Management Pool:		
STAR Ohio	(2,831)	2,831
Mutual Fund	(1,638,549)	1,638,549
Repurchase agreements	<u>(937,628)</u>	<u>937,628</u>
GASB Statement 3	<u>\$ (263,693)</u>	<u>\$2,579,008</u>

6. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State Law at 35 percent of appraised market value. All property is required to be reevaluated every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by July 20.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Sugarcreek Local School District. The County Auditor periodically remits to the District its portion of the taxes collected. The full tax rate for all District operations for the year ended June 30, 2002 was \$63.50 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2002 taxes were collected are as follows:

**SUGARCREEK LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002**

6. PROPERTY TAXES (Continued)

	<u>2002 First Half Collections</u>	<u>2001 Second Half Collections</u>
Agricultural/residential		
And other real estate	\$ 315,024,430	\$ 302,615,780
Public utility personal	13,638,300	21,443,570
Tangible personal property	<u>9,210,699</u>	<u>9,686,795</u>
Total	<u>\$ 337,873,429</u>	<u>\$ 333,746,145</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of June 30, 2002. Although total property tax collections for the next year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 was \$721,354 in the General Fund, \$57,302 in the Bond Retirement Debt Service Fund and \$49,242 in the Permanent Improvement Capital Projects Fund. These amounts have been set aside as a reserve of fund balance.

7. RECEIVABLES

Receivables at June 30, 2002 consisted of taxes, interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of State programs.

A summary of the intergovernmental receivables follows:

<u>Special Revenue Funds</u>	
Miscellaneous Federal Grants	\$ 1,740
 <u>Capital Projects Funds</u>	
School Net Plus Grant	<u>504</u>
 Total Intergovernmental Receivable	 <u>\$ 2,244</u>

8. FIXED ASSETS

The July 1, 2001 beginning balance of the general fixed assets and fixed assets of the enterprise funds have been adjusted to reflect correction of immaterial variances between the financial statements and the fixed asset records, as well as, recording enterprise fixed assets in the proprietary funds instead of the general fixed assets as has been done in previous years. A summary of these adjustments is as follows:

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

8. FIXED ASSETS (Continued)

General Fixed Assets	Balance at July 1, 2001	Adjustment for Corrections	Adjusted Balance at July 1, 2001
Land	\$ 1,959,356	\$ -	\$ 1,959,356
Land Improvements	916,907	-	916,907
Buildings	15,682,983	-	15,682,983
Equipment	3,498,928	(361,168)	3,137,760
Vehicles	<u>1,915,573</u>	<u>-</u>	<u>1,915,573</u>
Totals	<u>\$ 23,973,747</u>	<u>\$ (361,168)</u>	<u>\$ 23,612,579</u>

Food Service Enterprise Fund	Balance at July 1, 2001	Adjustment for Corrections	Adjusted Balance at July 1, 2001
Furniture and Equipment	\$ 35,165	\$ 356,378	\$ 391,543
Less: Accumulated Depreciation	<u>3,517</u>	<u>258,928</u>	<u>262,445</u>
Net Fixed Assets	<u>\$ 31,648</u>	<u>\$ 97,450</u>	<u>\$ 129,098</u>

Changes in general fixed assets during the fiscal year ended June 30, 2002 were as follows:

	Adjusted Balance at July 1, 2001	Additions	Deletions	Balance at June 30, 2002
Land	\$ 1,959,356	\$ -	\$ -	\$ 1,959,356
Land Improvements	916,907	61,707		978,614
Buildings	15,682,983	36,090		15,719,073
Equipment	3,137,760	90,419	363,500	2,864,679
Vehicles	<u>1,915,573</u>	<u>324,757</u>	<u>-</u>	<u>2,240,330</u>
Totals	<u>\$ 23,612,579</u>	<u>\$ 512,973</u>	<u>\$ 363,500</u>	<u>\$23,762,052</u>

A summary of the proprietary fund fixed assets at June 30, 2002 follows:

Furniture and equipment	\$ 391,543
Less: accumulated depreciation	<u>291,917</u>
Net fixed assets	<u>\$ 99,626</u>

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

9. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer public employee retirement system administered by the School Employees Retirement System Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Authority to establish and amend benefits is provided by chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3684.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2002, 2001 and 2000 were \$380,020, \$321,527 and \$237,360, respectively; 41.91 percent has been contributed for fiscal year 2002 and 100 percent has been contributed for fiscal years 2001 and 2000. \$220,757 represents the unpaid contribution for fiscal year 2002 and is recorded as a liability within the respective funds and the general long-term obligations account group.

State Teachers Retirement System

The School contributes to the State Teachers Retirement System of Ohio (STRS), which is a cost-sharing, multiple-employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School's required contributions to STRS for the fiscal years ended June 30, 2002, 2001 and 2000 were \$1,172,656, \$1,150,520 and \$987,540; 82.86 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$220,980 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds.

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

9. DEFINED BENEFIT PENSION PLANS (Continued)

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the SERS/STRS. As of June 30, 2002, one member of the Board of Education has elected social security. The School District's liability is 6.2 percent of wages paid.

10. POSTEMPLOYMENT BENEFITS

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive healthcare benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (R.C.), the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. The R.C. grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which health care benefits are paid. For fiscal year ended June 30, 2002, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.256 billion on June 30, 2001. For the School, this amount equaled \$376,925 during the 2002 fiscal year.

For the year ended June 30, 2001, net health care costs paid by STRS Ohio were \$300,772,000. There were 102,132 eligible benefit recipients.

For SERS, the Ohio Revised Code gives the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, the allocation rate is 8.54 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. For the School, the amount to fund health care benefits, including the surcharge, was \$231,812 for fiscal year 2002.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

10. POSTEMPLOYMENT BENEFITS (Continued)

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001, were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, the Retirement System's net assets available for payment of health care benefits of \$315.7 million. The number of benefit recipients currently receiving health care benefits is approximately 50,000.

11. OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation

District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation leave for the District as a whole amounted to \$175,258 at June 30, 2002.

Accumulated Unpaid Sick Leave

Sick leave may be accumulated by district employees. Upon retirement, payment is made for one-fourth of the total unused sick leave balance up to a maximum of sixty days for certified and classified employees. The total obligation for sick leave accrual for the District as a whole as of June 30, 2002 was \$792,336.

Compensatory Leave

Certain employees are allowed to accumulate hours for time worked up to a maximum of 240 hours. The employee has the option of taking the hours as time off or as paid leave. In the case of death or retirement an employee (or his estate) is paid for unused compensatory leave. The total obligation for compensatory leave for the District as a whole amounted to \$78,531 at June 30, 2002.

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts-of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2002, the School District contracted with Indiana Insurance Company for building and business property insurance. This policy has a limit of insurance in the amount of \$36,962,522 for property and a \$1,000 deductible. Boiler and Crime are included in the policy. Fleet insurance has a \$250,000 limit of liability and a variable deductible between zero and \$1,000. General liability insurance is under Nationwide Insurance and has a \$2,000,000 per occurrence and \$5,000,000 aggregate limitation. The superintendent, treasurer and board president are all bonded separately. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

12. RISK MANAGEMENT (Continued)

The District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The cooperative contracts with Accordia, Inc. to provide an insurance purchasing pool for workers compensation. The intent of the pool is to achieve the benefit of a reduced premium for the School District by virtue of its grouping a representation with other participants in the pool. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the pool. Each participant pays its workers compensation premium to the State based on the rate for the pool rather than its individual rate.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the pool. A participant will then either receive money from or be required to contribute to the pool. This equity pooling arrangement insures that each participant shares equally in the overall performance of the pool. Participation in the pool is limited to school districts that can meet the pool's selection criteria. Accordia, Inc. provides administrative, cost control and actuarial services to the SOEPC.

The School District has elected to provide employee medical benefits through Anthem PPO. The board picks up ninety percent of the monthly premium for all employees. Classified employees working less than seven hours a day, and certified employees working less than seven and a half hours a day, pay a prorated share of the monthly premium based on the number of hours worked. Dental benefits are provided through CoreSource with the Board picking-up the total cost for employees that work seven hours a day or more. The School District provides life insurance to employees through CoreSource.

13. CAPITALIZED LEASE – LESSEE DISCLOSURE

In previous fiscal years, the School District had entered into leases for land, school buses, and a copier. The terms of these agreements provide an option to purchase the land and equipment. The leases meet the criteria of capital leases as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one, which transfers benefits and risks of ownership to the lessee. The lease for land was executed between the Greene County Educational Service Center (ESC) and the School District. The ESC holds title to the land and has assigned the lease to Bank One Leasing Corp.

Capital lease payments have been reclassified and are reflected as debt service in the Combined Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the general fixed asset account group in an amount equal to the present value of the future minimum lease payments at the time of acquisition. The copier has a value of \$56,493 and the buses have a value of \$279,950 and are classified as equipment and vehicles, respectively. The land purchased under the lease has a value of \$541,328 and is classified as land. A corresponding liability was recorded in the general long-term obligation account group. Principal payments in fiscal year 2002 totaled \$202,188.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2002.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

13. CAPITALIZED LEASE – LESSEE DISCLOSURE (Continued)

	Fiscal Year Ending June 30,	General Long- Term Debt
	2003	\$ 236,502
	2004	150,187
	2005	122,909
	2006	30,728
Total Minimum Lease Payments		540,326
Less: Amount Representing Interest		(41,456)
Present Value of Minimum Lease Payments		\$ 498,870

14. GENERAL LONG-TERM OBLIGATIONS

Long- term obligations at June 30, 2002 were as follows:

	Balance June 30, 2001	Increase	Decrease	Balance June 30, 2002
<u>General Obligation Bonds:</u>				
1978 School Improvement 5.375%	\$35,000	\$ -	\$35,000	\$ -
1994 School Improvement:				
Current Interest 2.45-5.15%	5,810,000	-	425,000	5,385,000
Capital Appreciation 5-5.3%	1,318,060	95,953	-	1,414,013
1999 Computer Acquisition 4.55%	46,448	-	44,306	2,142
Total General Obligation Bonds	7,209,508	95,953	504,306	6,801,155
Energy Conservation Loan	512,500	-	140,500	372,000
Compensated Absences	920,422	108,225	-	1,028,647
Capital Lease Obligation	701,058	-	202,188	498,870
Intergovernmental Payable	104,652	19,820	-	124,472
Total General Long-Term Obligations	\$ 9,448,140	\$ 223,998	\$ 846,994	\$ 8,825,144

The School District's voted legal debt margin was \$24,214,923 with an unvoted debt margin of \$335,731 at June 30, 2002.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

14. GENERAL LONG-TERM OBLIGATIONS (Continued)

The general obligation bond issues will be paid through the debt service fund from property taxes collected by the County Auditor. In fiscal year 1994 the district issued approximately \$10,000,000 in general obligation bonds for the construction of a new high school. These bonds include current interest bonds and capital appreciation bonds. The capital appreciation bonds will mature in 2005 through 2008. The maturity amount of the bonds is \$2,120,000. For Fiscal year 2002, \$95,953 was accreted for a total bond value of \$1,414,013.

The energy conservation loan will be repaid from the general fund with cost savings generated by the implementation of the measures. The capital lease obligation will be repaid from the General Fund and the Capital Project Fund. Compensated absences will be paid from the fund from which the person is paid if the funds are available, otherwise, from the General Fund. The intergovernmental payable represents the long-term portion of the pension obligation payable to the School Employees Retirement System.

Principal and interest requirements to retire the District's long-term obligations outstanding at June 30, 2002 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2003	\$587,642	\$275,542	\$863,184
2004	535,500	249,983	785,483
2005	555,500	225,062	780,562
2006	469,821	315,939	785,760
2007	365,074	344,177	709,251
2008 - 12	2,234,618	1,260,322	3,494,940
2013 - 16	2,425,000	250,162	2,675,162
Total	<u>\$7,173,155</u>	<u>\$2,921,187</u>	<u>\$10,094,342</u>

15. SHORT-TERM OBLIGATION

The following is a summary of the note activity for the District at June 30, 2002:

	Balance 6/30/00	Increase	Decrease	Balance 6/30/01
School Improvement 5.08% Bond Anticipation Note	\$ 254,520	\$ -	\$ 254,520	\$ -
Tax Anticipation Note	865,000	-	285,000	580,000
2002 Bus Facility Note 01	-	330,000	-	330,000
2002 Bus Facility Note 02	-	750,000	-	750,000

SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

15. SHORT-TERM OBLIGATION (Continued)

The bond anticipation note was issued in anticipation of long-term financing and will be refinanced until such bonds are issued. They are backed by the full faith and credit of the District and mature within one year. The District issued a five-year tax anticipation note for various permanent improvements of the School District's school buildings. The debt will be repaid from proceeds of a tax levy collected by the County Auditor. The bus facility notes were issued in FY 2002 to finance the construction of a new transportation facility. These notes are recorded in the Permanent Improvement and Building funds within the Capital Projects Fund Type.

16. JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

The School District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public schools within the boundaries of Clark, Clinton, Fayette, Greene and Highland Counties and Cities of Springfield, Wilmington, Washington Court House, Xenia and Hillsboro. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts.

The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and both Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. The School District paid MVECA \$35,080 for services provided during the year. Financial information can be obtained from Gary Bosserman, who serves as Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Cooperative

The School District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools within geographical boundaries as defined by the SOEPC and to serve as a resource to member districts on matters related to business operations. The SOEPC elects one of its members as Chairperson and another as Vice-Chairperson. An Executive Committee is comprised of eleven members who include the Chairperson and Vice-Chairperson and a representative from the Fiscal Agent. Each new member pays an initiation fee in addition to the annual membership fee and other appropriate assessments.

Greene County Career Center

The Greene County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts elected boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Greene County Career Center, 2960 West Enon Road, Xenia, Ohio 45385-9545.

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

16. JOINTLY GOVERNED ORGANIZATIONS (Continued)

Bellbrook/Sugarcreek Education Foundation

The Bellbrook/Sugarcreek Education Foundation is a community-based, unincorporated, non-profit organization established for the exclusive purposes of promoting the quality of schools and educational programs in the Sugarcreek Local School District and funding college scholarships for graduates of the Sugarcreek Local School District. A seven member Board of Trustees govern the Foundation, consisting of the School District's Superintendent and Treasurer, an appointed member of the School District's Board of Education and four persons appointed by the Financial Advisory Committee of the School District. The Dayton Foundation maintains all assets of the Foundation in trust and the Board of Trustees must approve any disbursement of funds.

17. CONTINGENT LIABILITIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditures 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 School District.

Litigation

The School District's attorney estimates that any potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

18. STATE SCHOOL FUNDING DECISION

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

**SUGARCREEK LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002**

18. STATE SCHOOL FUNDING DECISION (Continued)

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted this motion for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

19. ACCOUNTABILITY AND COMPLIANCE

Fund Equity at June 30, 2002, included the following individual fund deficits:

General Fund	\$ 694,348
Management Information Systems Special Revenue Fund	7,983
Title VI Grant Special Revenue Fund	366
Permanent Improvement Capital Projects Fund	819,082
Building Capital Projects Fund	53,677

The deficit fund balances resulted from adjustments for accrued liabilities and recording short term notes payable in the capital projects funds. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

The following funds had budgetary expenditures (disbursements plus encumbrances) which exceeded appropriations at the fund level. The Board of Education passed an appropriation amendment to address the deficiencies in appropriations; however, this amendment was not approved by the County Budget Commission prior to the end of the fiscal year and therefore not legally enacted.

	<u>Excess Over Appropriations</u>
General Fund	\$ 890,018
<u>Special Revenue Funds</u>	
Public School Support	28,755
Management Information Systems	6,654
Textbook Subsidy	253
Summer Intervention	1,101
Title VI-B Grant	115
Title I Grant	929
Title VI-R Grant	14,829
Debt Service Fund	4,321

**SUGARCREEK LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

19. ACCOUNTABILITY AND COMPLIANCE (Continued)

<u>Capital Projects Funds</u>	
Permanent Improvement	20,960
Building	185,631
Enterprise Fund	203,887
Non-Expendable Trust Fund	50

20. SET-ASIDE DISCLOSURE

The following table represents the School District's set-aside calculations for textbooks and capital acquisition. Although the School District had qualifying offsets and disbursements during the year that reduced the set-aside amount below zero for capital acquisitions, these extra amounts may not be used to reduce the set-aside requirement of future years. Excess disbursements related to the textbook reserve may be carried forward from year to year.

	Textbooks	Capital Acquisition	Totals
Set-aside Cash Balance as of June 30, 2001	\$(343,538)	\$ -	\$ (343,538)
Current Year Set-aside Requirement	296,251	296,251	592,502
Current Year Offsets	-	(281,600)	(281,600)
Qualifying Disbursements	(521,142)	(741,857)	(1,262,999)
Total	(568,429)	(727,206)	(1,295,635)
Balance Carried Forward to FY 2003	\$(568,429)	\$ -	

Although legislation enacted eliminated the requirement that school districts maintain a budget stabilization account, the State of Ohio placed restrictions on the type of services and items that school districts may spend the Bureau of Workers' Compensation (BWC) rebates previously recorded in the budget stabilization account. Therefore, the funds related to BWC rebates, \$45,306, continue to be reported as a restricted asset on the balance sheet with a corresponding amount reported as a reservation of fund balance.

GENERAL FUND

The General Fund is used to account for government resources not required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio

Since there is only one General Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no individual fund information is presented

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Foundation Grant

To account for monies received under a local grant to provide educational supplies to disadvantaged students who otherwise could not afford them.

District Managed Student Activities

To account for local funds generated to assist student activities, which are managed by District personnel.

Professional Development

To account for funds received under House Bill 117 to be used for locally held professional development and teacher training activities which are guided by Ohio's model competency based education programming or comparable models to support student achievement, including proficiency test performance.

Management Information Systems

To account for state funds that are provided to assist the District in implementing a staff, student and financial information system as mandated by the Omnibus Education Reform Act of 1989.

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

SchoolNet Professional Development

To account for state funds provided for technology professional development within the District.

Textbook Subsidy

To account for state funds provided for the purchase of textbooks by the District.

Ohio Reads Grant

To account for state funds provided for developing and instituting programs to increase student reading comprehension skills.

SPECIAL REVENUE FUNDS
(Continued)

Summer Intervention Grant

To account for state funds provided for the implementation of, or expansion of, summer remedial math, reading and science classes.

Safe School Helpline

To account for state funds provided for the establishment and maintenance of a 24 hours, 7 days a week, telephone hotline where students may report unsafe conditions or events.

Title II Grant

To account for monies received under a federal grant to assist schools in the enhancement of math and science programs.

Title VI-B Grant

To account for monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Vocational Education Grant

To account for monies received under a federal grant to assist schools in the development of vocational education programs.

Title I Grant

To account for monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

Title VI Grant

To account for monies received under a federal grant to assist schools with the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools Program To account for monies received under a federal program to support the implementation of programs for drug abuse education and prevention.

Title VI-R Grant

To account for monies received under a federal grant to help reduce the teacher-student ration at the elementary school level.

School to Work Grant

To account for monies received under a federal grant to provide career planning and life skills for all students, to bridge from school to careers and family life.

Miscellaneous Federal Grants

To account for the revenue received, and services provided, on behalf of the District by the County Educational Service Center through a variety of federal grant programs. This fund is not maintained on the District's accounting records, nor is the activity of this fund required to be budgeted by the District; therefore, no schedule of revenues, expenditures and changes in fund balance – budget (non-GAAP basis) and Actual is presented for this fund

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2002

	Public School Support	Foundation Grants	District Managed Student Activities	Professional Development
<u>Assets:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 27,296	\$ 525	\$ 203,883	\$ -
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 27,296	\$ 525	\$ 203,883	\$ -
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 120	\$ -
Accrued Wages and Benefits	-	-	-	-
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	120	-
Fund Equity:				
Reserved for Encumbrances	5,822	-	44,349	-
Unreserved	21,474	525	159,414	-
Total Fund Equity	\$ 27,296	\$ 525	\$ 203,763	\$ -
Total Liabilities and Fund Equity	\$ 27,296	\$ 525	\$ 203,883	\$ -

<u>Management Information Systems</u>	<u>Data Communications</u>	<u>School Net Professional Development</u>	<u>Textbook Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention Grant</u>
\$ 1,971	\$ 2,144	\$ 5,369	\$ -	\$ 15,360	\$ 1,120
-	-	-	-	-	-
<u>\$ 1,971</u>	<u>\$ 2,144</u>	<u>\$ 5,369</u>	<u>\$ -</u>	<u>\$ 15,360</u>	<u>\$ 1,120</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,566	\$ -
9,954	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,566</u>	<u>-</u>
-	-	1,900	-	7,081	525
(7,983)	2,144	3,469	-	3,713	595
<u>\$ (7,983)</u>	<u>\$ 2,144</u>	<u>\$ 5,369</u>	<u>\$ -</u>	<u>\$ 10,794</u>	<u>\$ 1,120</u>
<u>\$ 1,971</u>	<u>\$ 2,144</u>	<u>\$ 5,369</u>	<u>\$ -</u>	<u>\$ 15,360</u>	<u>\$ 1,120</u>

(Continued)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2002
(Continued)

	Safe School Helpline	Title II Grant	Title VI-B Grant	Vocational Education Grant
<u>Assets:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 45	\$ -	\$ -	\$ -
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 45	\$ -	\$ -	\$ -
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ 44	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	44	-	-	-
Fund Equity:				
Reserved for Encumbrances	-	-	-	-
Unreserved	1	-	-	-
Total Fund Equity	\$ 1	\$ -	\$ -	\$ -
Total Liabilities and Fund Equity	\$ 45	\$ -	\$ -	\$ -

<u>Title I Grant</u>	<u>Title VI Grant</u>	<u>Drug Free Schools Grant</u>	<u>Title VI-R Grant</u>	<u>School to Work Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total</u>
\$ -	\$ 179	\$ -	\$ -	\$ -	\$ -	\$ 257,892
-	-	-	-	-	1,740	1,740
<u>\$ -</u>	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,740</u>	<u>\$ 259,632</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,730
-	-	-	-	-	-	9,954
-	545	-	-	-	-	545
-	-	-	-	-	1,740	1,740
-	545	-	-	-	1,740	16,969
-	-	-	-	-	-	59,677
-	(366)	-	-	-	-	182,986
<u>\$ -</u>	<u>\$ (366)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,663</u>
<u>\$ -</u>	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,740</u>	<u>\$ 259,632</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Public School Support	Foundation Grants	District Managed Student Activities	Professional Development
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Tuition and Fees	29,919	-	120,322	-
Extracurricular Activities	63,298	-	281,586	-
Miscellaneous	27,984	-	17,404	-
Total Revenues	121,201	-	419,312	-
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Vocational	-	560	-	-
Support Services:				
Pupils	13,730	-	-	-
Instructional Staff	3,643	-	-	6,765
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Extracurricular Activities	127,278	-	430,576	-
Total Expenditures	144,651	560	430,576	6,765
Excess of Revenues Over(Under)				
Expenditures	(23,450)	(560)	(11,264)	(6,765)
Other Financing Sources:				
Operating Transfers-In	-	-	-	-
Excess of Revenues and Other Financing				
Sources Over(Under) Expenditures	(23,450)	(560)	(11,264)	(6,765)
Fund Balance at Beginning of Year	50,746	1,085	215,027	6,765
Residual Equity Transfer Out	-	-	-	-
Fund Balance at End of Year	\$ 27,296	\$ 525	\$ 203,763	\$ -

Management Information Systems	Data Communications	School Net Professional Development	Textbook Subsidy	Ohio Reads Grant	Summer Intervention Grant
\$ 9,432	\$ -	\$ 7,592	\$ -	\$ 36,000	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,432	-	7,592	-	36,000	-
-	-	-	1,515	15,252	-
-	-	-	-	-	8,450
-	-	-	-	-	-
19,272	-	-	-	-	-
-	12,000	7,828	-	9,954	-
-	-	-	-	-	-
-	-	-	-	-	1,184
4,836	-	-	-	-	-
-	-	-	-	-	-
24,108	12,000	7,828	1,515	25,206	9,634
(14,676)	(12,000)	(236)	(1,515)	10,794	(9,634)
-	-	-	-	-	-
(14,676)	(12,000)	(236)	(1,515)	10,794	(9,634)
6,693	14,144	5,605	1,515	-	10,754
-	-	-	-	-	-
\$ (7,983)	\$ 2,144	\$ 5,369	\$ -	\$ 10,794	\$ 1,120

(Continued)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(Continued)

	Safe School Helpline	Title II Grant	Title VI-B Grant	Vocational Education Grant
Revenues:				
Intergovernmental	\$ 2,467	\$ 8,156	\$ 145,179	\$ -
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2,467	8,156	145,179	-
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	2,000
Special	-	-	146,581	-
Vocational	-	-	-	-
Support Services:				
Pupils	-	-	-	-
Instructional Staff	-	8,291	-	-
Plant Operation and Maintenance	2,528	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Extracurricular Activities	44	-	-	-
Total Expenditures	2,572	8,291	146,581	2,000
Excess of Revenues Over(Under)				
Expenditures	(105)	(135)	(1,402)	(2,000)
Other Financing Sources:				
Operating Transfers-In	-	-	-	-
Excess of Revenues and Other Financing				
Sources Over(Under) Expenditures	(105)	(135)	(1,402)	(2,000)
Fund Balance at Beginning of Year	106	135	1,402	2,000
Residual Equity Transfer Out	-	-	-	-
Fund Balance at End of Year	\$ 1	\$ -	\$ -	\$ -

Title I Grant	Title VI Grant	Drug Free Schools Grant	Title VI-R Grant	School to Work Grant	Miscellaneous Federal Grants	Total
\$ 36,449	\$ 13,361	\$ 10,139	\$ 39,873	\$ 42,793	\$ 42,893	\$ 394,334
-	-	-	-	-	-	150,241
-	-	-	-	-	-	344,884
-	-	-	-	-	-	45,388
<u>36,449</u>	<u>13,361</u>	<u>10,139</u>	<u>39,873</u>	<u>42,793</u>	<u>42,893</u>	<u>934,847</u>
-	82	-	36,514	-	-	55,363
35,743	13,290	-	-	-	42,893	246,957
-	-	-	-	-	-	560
876	-	-	-	-	-	33,878
-	-	10,139	-	5,498	-	64,118
-	-	-	-	-	-	2,528
-	-	-	-	-	-	1,184
-	-	-	-	-	-	4,836
-	-	-	-	-	-	557,898
<u>36,619</u>	<u>13,372</u>	<u>10,139</u>	<u>36,514</u>	<u>5,498</u>	<u>42,893</u>	<u>967,322</u>
(170)	(11)	-	3,359	37,295	-	(32,475)
-	-	-	-	-	-	-
(170)	(11)	-	3,359	37,295	-	(32,475)
170	(355)	-	(3,359)	(37,295)	-	275,138
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ (366)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,663</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002

	Public School Support			Foundation Grant		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition and Fees	32,050	29,919	(2,131)	-	-	-
Extracurricular Activities	61,550	63,298	1,748	-	-	-
Miscellaneous	20,148	27,879	7,731	-	-	-
Total Revenues	113,748	121,096	7,348	-	-	-
Expenditures:						
Current:						
Instruction:						
Regular	-	-	-	-	-	-
Special	-	-	-	-	-	-
Vocational	-	-	-	560	560	-
Support Services:						
Pupils	16,110	13,810	2,300	-	-	-
Instructional Staff	5,719	5,109	610	-	-	-
Plant Operation and Maintenance	-	-	-	-	-	-
Pupil Transportation	-	-	-	-	-	-
Central	-	-	-	-	-	-
Extracurricular Activities	99,890	131,555	(31,665)	-	-	-
Total Expenditures	121,719	150,474	(28,755)	560	560	-
Excess of Revenues Over(Under) Expenditures	(7,971)	(29,378)	(21,407)	(560)	(560)	-
Other Financing Sources (Uses):						
Refund of Prior Year Expenditures	449	105	(344)	-	-	-
Advances-Out	-	-	-	-	-	-
Operating Transfers-In	644	-	(644)	-	-	-
Total Other Financing Sources (Uses)	1,093	105	(988)	-	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(6,878)	(29,273)	(22,395)	(560)	(560)	-
Fund Balance at Beginning of Year	43,092	43,092	-	1,085	1,085	-
Prior Year Encumbrances Appropriated	7,658	7,658	-	-	-	-
Fund Balance at End of Year	\$ 43,872	\$ 21,477	\$ (22,395)	\$ 525	\$ 525	\$ -

District Managed Student Activities			Professional Development			Management Information Systems		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,500	\$ -	\$ (1,500)	\$ 10,250	\$ -	\$ (10,250)	\$ 7,500	\$ 9,432	\$ 1,932
131,550	120,322	(11,228)	-	-	-	-	-	-
219,490	281,586	62,096	-	-	-	-	-	-
13,250	17,045	3,795	-	-	-	-	-	-
<u>365,790</u>	<u>418,953</u>	<u>53,163</u>	<u>10,250</u>	<u>-</u>	<u>(10,250)</u>	<u>7,500</u>	<u>9,432</u>	<u>1,932</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,000	9,318	(4,318)
-	-	-	11,635	7,574	4,061	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,500	4,836	(2,336)
<u>476,629</u>	<u>474,805</u>	<u>1,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>476,629</u>	<u>474,805</u>	<u>1,824</u>	<u>11,635</u>	<u>7,574</u>	<u>4,061</u>	<u>7,500</u>	<u>14,154</u>	<u>(6,654)</u>
<u>(110,839)</u>	<u>(55,852)</u>	<u>54,987</u>	<u>(1,385)</u>	<u>(7,574)</u>	<u>(6,189)</u>	<u>-</u>	<u>(4,722)</u>	<u>(4,722)</u>
-	470	470	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	470	470	-	-	-	-	-	-
<u>(110,839)</u>	<u>(55,382)</u>	<u>55,457</u>	<u>(1,385)</u>	<u>(7,574)</u>	<u>(6,189)</u>	<u>-</u>	<u>(4,722)</u>	<u>(4,722)</u>
150,847	150,847	-	6,189	6,189	-	6,693	6,693	-
64,070	64,070	-	1,385	1,385	-	-	-	-
<u>\$ 104,078</u>	<u>\$ 159,535</u>	<u>\$ 55,457</u>	<u>\$ 6,189</u>	<u>\$ -</u>	<u>\$ (6,189)</u>	<u>\$ 6,693</u>	<u>\$ 1,971</u>	<u>\$ (4,722)</u>

(Continued)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002

	Data Communications			SchoolNet Professional Development		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 8,414	\$ 7,592	\$ (822)
Tuition and Fees	-	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	8,414	7,592	(822)
Expenditures:						
Current:						
Instruction:						
Regular	-	-	-	-	-	-
Special	-	-	-	-	-	-
Vocational	-	-	-	-	-	-
Support Services:						
Pupils	-	-	-	-	-	-
Instructional Staff	12,000	12,000	-	9,804	9,728	76
Plant Operation and Maintenance	-	-	-	-	-	-
Pupil Transportation	-	-	-	-	-	-
Central	-	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-	-
Total Expenditures	12,000	12,000	-	9,804	9,728	76
Excess of Revenues Over(Under) Expenditures	(12,000)	(12,000)	-	(1,390)	(2,136)	(746)
Other Financing Sources (Uses):						
Refund of Prior Year Expenditures	-	-	-	-	-	-
Advant-Out	-	-	-	-	-	-
Operating Transfers-In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(12,000)	(12,000)	-	(1,390)	(2,136)	(746)
Fund Balance at Beginning of Year	14,144	14,144	-	4,471	4,471	-
Prior Year Encumbrances Appropriated	-	-	-	1,134	1,134	-
Fund Balance at End of Year	\$ 2,144	\$ 2,144	\$ -	\$ 4,215	\$ 3,469	\$ (746)

Textbook Subsidy			Ohio Reads Grant			Summer Intervention Grant		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 36,000	\$ 36,000	\$ -	\$ 8,500	\$ -	\$ (8,500)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	36,000	36,000	-	8,500	-	(8,500)
1,262	1,515	(253)	21,378	18,378	3,000	-	-	-
-	-	-	-	-	-	7,922	9,089	(1,167)
-	-	-	-	-	-	-	-	-
-	-	-	14,622	13,908	714	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,250	1,184	66
-	-	-	-	-	-	-	-	-
1,262	1,515	(253)	36,000	32,286	3,714	9,172	10,273	(1,101)
(1,262)	(1,515)	(253)	-	3,714	3,714	(672)	(10,273)	(9,601)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(1,262)	(1,515)	(253)	-	3,714	3,714	(672)	(10,273)	(9,601)
253	253	-	-	-	-	10,196	10,196	-
1,262	1,262	-	-	-	-	672	672	-
\$ 253	\$ -	\$ (253)	\$ -	\$ 3,714	\$ 3,714	\$ 10,196	\$ 595	\$ (9,601)

(Continued)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002

	Safe School Helpline			Title II Grant		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 2,500	\$ 2,467	\$ (33)	\$ 8,352	\$ 8,156	\$ (196)
Tuition and Fees	-	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	2,500	2,467	(33)	8,352	8,156	(196)
Expenditures:						
Current:						
Instruction:						
Regular	-	-	-	-	-	-
Special	-	-	-	-	-	-
Vocational	-	-	-	-	-	-
Support Services:						
Pupils	-	-	-	-	-	-
Instructional Staff	-	-	-	8,352	8,291	61
Plant Operation and Maintenance	2,528	2,528	-	-	-	-
Pupil Transportation	-	-	-	-	-	-
Central	-	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-	-
Total Expenditures	2,528	2,528	-	8,352	8,291	61
Excess of Revenues Over(Under) Expenditures	(28)	(61)	(33)	-	(135)	(135)
Other Financing Sources (Uses):						
Refund of Prior Year Expenditures	-	-	-	-	-	-
Advances-Out	-	-	-	-	-	-
Operating Transfers-In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(28)	(61)	(33)	-	(135)	(135)
Fund Balance at Beginning of Year	106	106	-	135	135	-
Prior Year Encumbrances Appropriated	-	-	-	-	-	-
Fund Balance at End of Year	\$ 78	\$ 45	\$ (33)	\$ 135	\$ -	\$ (135)

Title VI-B Grant			Vocational Education Grant			Title I Grant		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 145,720	\$ 145,179	\$ (541)	\$ 2,000	\$ -	\$ (2,000)	\$ 35,690	\$ 36,449	\$ 759
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
145,720	145,179	(541)	2,000	-	(2,000)	35,690	36,449	759
-	-	-	2,000	2,000	-	-	-	-
147,979	148,094	(115)	-	-	-	35,291	36,220	(929)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	876	876	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
147,979	148,094	(115)	2,000	2,000	-	36,167	37,096	(929)
(2,259)	(2,915)	(656)	-	(2,000)	(2,000)	(477)	(647)	(170)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(2,259)	(2,915)	(656)	-	(2,000)	(2,000)	(477)	(647)	(170)
655	655	-	2,000	2,000	-	170	170	-
2,260	2,260	-	-	-	-	477	477	-
\$ 656	\$ -	\$ (656)	\$ 2,000	\$ -	\$ (2,000)	\$ 170	\$ -	\$ (170)

(Continued)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2002

	Title VI Grant			Drug Free Schools Program		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 13,360	\$ 13,361	\$ 1	\$ 10,139	\$ 10,139	\$ -
Tuition and Fees	-	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	13,360	13,361	1	10,139	10,139	-
Expenditures:						
Current:						
Instruction:						
Regular	82	82	-	-	-	-
Special	13,468	13,290	178	-	-	-
Vocational	-	-	-	-	-	-
Support Services:						
Pupils	-	-	-	-	-	-
Instructional Staff	-	-	-	10,139	10,139	-
Plant Operation and Maintenance	-	-	-	-	-	-
Pupil Transportation	-	-	-	-	-	-
Central	-	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-	-
Total Expenditures	13,550	13,372	178	10,139	10,139	-
Excess of Revenues Over(Under) Expenditures	(190)	(11)	179	-	-	-
Other Financing Sources (Uses):						
Refund of Prior Year Expenditures	-	-	-	-	-	-
Advances-Out	-	-	-	-	-	-
Operating Transfers-In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(190)	(11)	179	-	-	-
Fund Balance at Beginning of Year	190	190	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-	-	-
Fund Balance at End of Year	\$ -	\$ 179	\$ 179	\$ -	\$ -	\$ -

Title VI-R Grant			School to Work Grant			Total Special Revenue Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 25,965	\$ 39,873	\$ 13,908	\$ 7,410	\$ 42,793	\$ 35,383	\$ 323,300	\$ 351,441	\$ 28,141
-	-	-	-	-	-	163,600	150,241	(13,359)
-	-	-	-	-	-	281,040	344,884	63,844
-	-	-	-	-	-	33,398	44,924	11,526
<u>25,965</u>	<u>39,873</u>	<u>13,908</u>	<u>7,410</u>	<u>42,793</u>	<u>35,383</u>	<u>801,338</u>	<u>891,490</u>	<u>90,152</u>
25,965	40,794	(14,829)	-	-	-	50,687	62,769	(12,082)
-	-	-	-	-	-	204,660	206,693	(2,033)
-	-	-	-	-	-	560	560	-
-	-	-	-	-	-	21,986	24,004	(2,018)
-	-	-	5,941	5,941	-	78,212	72,690	5,522
-	-	-	-	-	-	2,528	2,528	-
-	-	-	-	-	-	1,250	1,184	66
-	-	-	1,467	1,250	217	3,967	6,086	(2,119)
-	-	-	-	-	-	576,519	606,360	(29,841)
<u>25,965</u>	<u>40,794</u>	<u>(14,829)</u>	<u>7,408</u>	<u>7,191</u>	<u>217</u>	<u>940,369</u>	<u>982,874</u>	<u>(42,505)</u>
-	(921)	(921)	2	35,602	35,600	(139,031)	(91,384)	47,647
-	-	-	-	-	-	449	575	126
-	-	-	-	(35,600)	(35,600)	-	(35,600)	(35,600)
-	-	-	-	-	-	644	-	(644)
-	-	-	-	(35,600)	(35,600)	1,093	(35,025)	(36,118)
-	(921)	(921)	2	2	-	(137,938)	(126,409)	11,529
921	921	-	(7,412)	(7,412)	-	233,735	233,735	-
-	-	-	7,410	7,410	-	86,328	86,328	-
<u>\$ 921</u>	<u>\$ -</u>	<u>\$ (921)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,125</u>	<u>\$ 193,654</u>	<u>\$ 11,529</u>

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DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Bond Retirement Fund

To account for property taxes collected for the payment of general obligation bonded debt. Since this is the only Debt Service Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no individual fund information is presented.

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CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, including equipment purchases other than those financed by the Non-expendable Trust Fund. The following are descriptions of each Capital Projects Fund.

Permanent Improvement

To account for the monies received through the District's two mill, permanent improvement levy that are used for the acquisition, construction or improvement of capital facilities other than those financed by the Non-Expendable Trust Fund.

Building

To account for all transactions related to all special bond funds in the District. Proceeds from the sale of bonds, except premium and accrued interest, and donation related to the projects for which the bonds were issued are paid into this fund.

School Net Plus

To account for monies received through a State grant to help schools obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

Video Distance Learning

To account for monies received through a State grant to provide schools with the necessary equipment to facilitate video and teleconferencing capabilities to allow remote learning opportunities.

Community Gym Project

To account for monies accumulated for the construction of a new gymnasium which will be shared between District activities and the community.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2002

	Permanent Improvement	Building	School Net Plus
<u>Assets:</u>			
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 42,366	\$ 696,323	\$ -
Taxes Receivable	561,331	-	-
Intergovernmental Receivable	-	-	504
Total Assets and Other Debits	\$ 603,697	\$ 696,323	\$ 504
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$ 690	\$ -	\$ -
Deferred Revenue	512,089	-	504
Notes Payable	910,000	750,000	-
Total Liabilities	1,422,779	750,000	504
Fund Equity:			
Fund Balances:			
Reserved for Encumbrances	24,164	128,145	-
Reserved for Taxes	49,242	-	-
Unreserved	(892,488)	(181,822)	-
Total Fund Equity	\$ (819,082)	\$ (53,677)	\$ -
Total Liabilities and Fund Equity	\$ 603,697	\$ 696,323	\$ 504

<u>Video Distance Learning</u>	<u>Community Gym Project</u>	<u>Total</u>
\$ 24,671	\$ 10,205	\$ 773,565
-	-	561,331
-	-	504
<u>\$ 24,671</u>	<u>\$ 10,205</u>	<u>\$ 1,335,400</u>
\$ -	\$ -	\$ 690
-	-	512,593
-	-	1,660,000
-	-	2,173,283
-	-	152,309
-	-	49,242
24,671	10,205	(1,039,434)
<u>\$ 24,671</u>	<u>\$ 10,205</u>	<u>\$ (837,883)</u>
<u>\$ 24,671</u>	<u>\$ 10,205</u>	<u>\$ 1,335,400</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Permanent Improvement	Building	School Net Plus
Revenues:			
Taxes	\$ 289,222	\$ -	\$ -
Intergovernmental	68,822	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenues	358,044	-	-
Expenditures:			
Current:			
Instruction:			
Regular	-	-	1,036
Support Services:			
Pupils	3,933	-	-
Instructional Staff	-	-	21,587
Administration	6,260	-	-
Fiscal	9,022	-	-
Plant Operation and Maintenance	136,079	-	-
Extracurricular Activities	42,645	-	-
Capital Outlay	362,067	57,486	-
Debt Service:			
Principal Retirement	99,435	-	-
Interest and Fiscal Charges	58,247	-	-
Total Expenditures	717,688	57,486	22,623
Excess of Revenues Over(Under) Expenditures	(359,644)	(57,486)	(22,623)
Other Financing Sources (Uses):			
Operating Transfers-In	584,529	-	-
Total Other Financing Sources (Uses)	584,529	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	224,885	(57,486)	(22,623)
Fund Balance at Beginning of Year	(1,043,967)	3,809	22,623
Fund Balance at End of Year	\$ (819,082)	\$ (53,677)	\$ -

Video Distance Learning	Community Gym Project	Total
\$ -	\$ -	\$ 289,222
68,400	-	137,222
-	105	105
-	10,100	10,100
68,400	10,205	436,649
-	-	1,036
-	-	3,933
50,407	-	71,994
-	-	6,260
-	-	9,022
-	-	136,079
-	-	42,645
-	-	419,553
-	-	99,435
-	-	58,247
50,407	-	848,204
17,993	10,205	(411,555)
-	-	584,529
-	-	584,529
17,993	10,205	172,974
6,678	-	(1,010,857)
\$ 24,671	\$ 10,205	\$ (837,883)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Permanent Improvement			Building		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 562,564	\$ 281,600	\$ (280,964)	\$ -	\$ -	\$ -
Intergovernmental	55,968	68,822	12,854	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	618,532	350,422	(268,110)	-	-	-
Expenditures:						
Current:						
Instruction:						
Regular	6,500	-	6,500	-	-	-
Support Services:						
Pupils	4,000	3,933	67	-	-	-
Instructional Staff	-	-	-	-	-	-
Administration	6,300	6,260	40	-	-	-
Fiscal	9,100	9,022	78	-	-	-
Plant Operation and Maintenance	144,266	136,079	8,187	-	-	-
Extracurricular Activities	66,900	66,809	91	-	-	-
Capital Outlay	448,994	484,917	(35,923)	-	185,631	(185,631)
Total Expenditures	686,060	707,020	(20,960)	-	185,631	(185,631)
Excess of Revenues Over(Under)						
Expenditures	(67,528)	(356,598)	(289,070)	-	(185,631)	(185,631)
Other Financing Sources (Uses):						
Proceeds from Sale of Debt	330,000	330,000	-	-	750,000	750,000
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	262,472	(26,598)	(289,070)	-	564,369	564,369
Fund Balance at Beginning of Year	37,459	37,459	-	3,809	3,809	-
Prior Year Encumbrances Appropriated	6,651	6,651	-	-	-	-
Fund Balance at End of Year	\$ 306,582	\$ 17,512	\$ (289,070)	\$ 3,809	\$ 568,178	\$ 564,369

School Net Plus			Video Distance Learning			Community Gym Project		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504	-	(504)	58,500	68,400	9,900	-	-	-
-	-	-	-	-	-	-	105	105
-	-	-	-	-	-	-	10,100	10,100
504	-	(504)	58,500	68,400	9,900	-	10,205	10,205
1,036	1,036	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
22,091	21,588	503	65,000	50,407	14,593	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
23,127	22,624	503	65,000	50,407	14,593	-	-	-
(22,623)	(22,624)	(1)	(6,500)	17,993	24,493	-	10,205	10,205
-	-	-	-	-	-	-	-	-
(22,623)	(22,624)	(1)	(6,500)	17,993	24,493	-	10,205	10,205
18,201	18,201	-	6,677	6,677	-	-	-	-
4,423	4,423	-	-	-	-	-	-	-
\$ 1	\$ -	\$ (1)	\$ 177	\$ 24,670	\$ 24,493	\$ -	\$ 10,205	\$ 10,205

(Continued)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(Continued)

	Total Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 562,564	\$ 281,600	\$ (280,964)
Intergovernmental	114,972	137,222	22,250
Interest	-	105	105
Miscellaneous	-	10,100	10,100
Total Revenues	<u>677,536</u>	<u>429,027</u>	<u>(248,509)</u>
Expenditures:			
Current:			
Instruction:			
Regular	7,536	1,036	6,500
Support Services:			
Pupils	4,000	3,933	67
Instructional Staff	87,091	71,995	15,096
Administration	6,300	6,260	40
Fiscal	9,100	9,022	78
Plant Operation and Maintenance	144,266	136,079	8,187
Extracurricular Activities	66,900	66,809	91
Capital Outlay	448,994	670,548	(221,554)
Total Expenditures	<u>774,187</u>	<u>965,682</u>	<u>(191,495)</u>
Excess of Revenues Over(Under) Expenditures	<u>(96,651)</u>	<u>(536,655)</u>	<u>(440,004)</u>
Other Financing Uses:			
Proceeds from Sale of Debt	<u>330,000</u>	<u>1,080,000</u>	<u>750,000</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	233,349	543,345	309,996
Fund Balance at Beginning of Year	66,146	66,146	-
Prior Year Encumbrances Appropriated	11,074	11,074	-
Fund Balance at End of Year	<u>\$ 310,569</u>	<u>\$ 620,565</u>	<u>\$ 309,996</u>

(Continued)

ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises (a) where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Food Service Fund

To account for the financial transactions related to the food service operation of the School District. Since this is the only Enterprise Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no individual fund information is presented.

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FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The District's fiduciary funds include an Expendable Trust Fund, Non-expendable Trust Fund and an Agency Fund. The following are descriptions of each of the District's fiduciary funds.

EXPENDABLE TRUST FUND

Special Trust

To account for donations received by the District in a trustee capacity.

NON-EXPENDABLE TRUST FUND

Scholarship Trust

To account for the principal and interest of donations made to two scholarship trust funds established in memory of individuals to provide scholarship to selected District students.

AGENCY FUND

Student Managed Activities

To account for the resources that belong to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs which have students involved in the management of the program.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS TYPES
 JUNE 30, 2002

	EXPENDABLE TRUST	NON- EXPENDABLE TRUST	AGENCY Student Managed Activities	Total
	Special Trust	Scholarship Trust		
<u>Assets:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 4,931	\$ 115,062	\$ 54,709	\$ 174,702
Total Assets	<u>\$ 4,931</u>	<u>\$ 115,062</u>	<u>\$ 54,709</u>	<u>\$ 174,702</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts Payable	\$ 920	\$ 1,400	\$ -	\$ 2,320
Due to Students	-	-	54,709	54,709
Total Liabilities	<u>920</u>	<u>1,400</u>	<u>54,709</u>	<u>57,029</u>
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	20	-	-	20
Reserved for Non-Expendable Trust	-	95,504	-	95,504
Unreserved	3,991	18,158	-	22,149
Total Fund Equity	<u>\$ 4,011</u>	<u>\$ 113,662</u>	<u>\$ -</u>	<u>\$ 117,673</u>
Total Liabilities and Fund Equity	<u>\$ 4,931</u>	<u>\$ 115,062</u>	<u>\$ 54,709</u>	<u>\$ 174,702</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Student Managed Activities:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 41,475	\$ 72,907	\$ 59,673	\$ 54,709
Total Assets	<u>\$ 41,475</u>	<u>\$ 72,907</u>	<u>\$ 59,673</u>	<u>\$ 54,709</u>
Liabilities:				
Due to Students	\$ 41,475	\$ 72,907	\$ 59,673	\$ 54,709
Total Liabilities	<u>\$ 41,475</u>	<u>\$ 72,907</u>	<u>\$ 59,673</u>	<u>\$ 54,709</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for all land and land improvements, building and building improvements, furniture and equipment not purchased by the Enterprise and Non-Expendable Trust Funds.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
JUNE 30, 2002

General Fixed Assets:	
Land	1,959,356
Land Improvements	978,614
Buildings	15,719,073
Equipment	2,864,679
Vehicles	<u>2,240,330</u>
Total General Fixed Assets	<u><u>23,762,052</u></u>
Investment in General Fixed Assets From:	
General Fund Revenues	1,913,289
Special Revenue Fund Revenues:	
Public School Support Fund	15,194
District Managed Student Activities Fund	39,074
Title I Grant Fund	1,250
Capital Projects Fund Revenues	
Permanent Improvement Fund	263,931
Building Fund	7,503
Donations and Gifts	73,000
Acquired Before July 1, 1999 *	<u>21,448,811</u>
Total Investment in General Fixed Assets	<u><u>23,762,052</u></u>

* Represents older assets for which fund source cannot practically be obtained.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND TYPE
JUNE 30, 2002

FUNCTION	LAND	LAND IMPROVEMENTS	BUILDINGS	EQUIPMENT	VEHICLES	TOTAL
Regular Instruction	\$ -	\$ -	\$ -	\$ 136,421	\$ -	\$ 136,421
Support Services:						
Instructional Staff	-	-	-	100,541	-	100,541
Administration	-	-	-	30,594	-	30,594
Fiscal Services	-	-	-	3,494	-	3,494
Plant Operation and Maintenance	872,204	15,307	88,596	2,552	36,863	1,015,522
Pupil Transportation	-	-	-	6,681	768,963	775,644
Total Support Services	872,204	15,307	88,596	143,862	805,826	1,925,795
Extracurricular Activities:						
Subject Oriented	-	-	-	23,669	-	23,669
Athletics Oriented	-	48,400	36,090	23,300	-	107,790
Total Extracurricular Activities	-	48,400	36,090	46,969	-	131,459
Acquisitions Prior to July 1, 1999 *	1,087,152	914,907	15,594,387	2,537,427	1,361,504	21,495,377
Donations	-	-	-	-	73,000	73,000
Total General Fixed Assets	<u>\$ 1,959,356</u>	<u>\$ 978,614</u>	<u>\$ 15,719,073</u>	<u>\$ 2,864,679</u>	<u>\$ 2,240,330</u>	<u>\$ 23,762,052</u>

* Represents older assets for which function cannot practically be obtained.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

FUNCTION	GENERAL FIXED ASSETS JULY 1, 2001	INCREASES	DECREASES	GENERAL FIXED ASSETS JUNE 30, 2002
Regular Instruction	\$ 120,710	\$ 15,711	\$ -	\$ 136,421
Support Services:				
Instructional Staff	39,331	61,210	-	100,541
Administration	30,594	-	-	30,594
Fiscal Services	1,599	1,895	-	3,494
Plant Operation and Maintenance	968,905	46,617	-	1,015,522
Pupil Transportation	481,760	293,884	-	775,644
Total Support Services	1,522,189	403,606	-	1,925,795
Extracurricular Activities:				
Subject Oriented	18,129	5,540	-	23,669
Athletics Oriented	19,674	88,116	-	107,790
Total Extracurricular Activities	37,803	93,656	-	131,459
Acquisitions Prior to July 1, 1999 *	21,858,877	-	363,500	21,495,377
Donations	73,000	-	-	73,000
Total General Fixed Assets	\$ 23,612,579	\$ 512,973	\$ 363,500	\$ 23,762,052

* Represents older assets for which function cannot practically be obtained.

STATISTICAL SECTION

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION AND OTHER FINANCING USES
LAST TEN FISCAL YEARS

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Current:										
Instruction:										
Regular	\$ 7,982,835	\$ 7,403,830	\$ 6,946,005	\$ 6,448,239	\$ 6,246,439	\$ 5,841,743	\$ 5,253,820	\$ 4,846,695	\$ 4,213,767	\$ 3,831,399
Special	1,133,204	1,039,586	962,189	959,739	957,649	822,311	709,509	587,638	534,007	470,415
Vocational	-	-	71	76	434	425	-	466	28,110	178,046
Support Services:										
Pupils	828,603	619,133	595,085	626,173	642,176	476,901	456,071	390,028	373,428	343,119
Instructional Staff	1,550,524	1,313,629	1,309,417	939,425	614,943	507,240	397,838	399,296	302,699	272,973
Board of Education	21,670	24,906	30,285	50,709	34,063	28,414	26,006	28,570	26,501	18,213
Administration	1,341,714	1,198,708	1,104,583	1,138,517	1,030,712	948,428	744,018	667,565	640,581	589,231
Fiscal	437,988	459,884	449,158	410,295	369,731	342,737	390,376	341,711	323,311	260,387
Business	104,742	62,134	58,874	29,318	36,314	34,863	34,893	36,483	50,280	48,026
Plant Operation & Maintenance	1,615,805	1,421,174	1,355,651	1,279,129	1,233,878	1,943,494	944,001	806,968	775,735	678,649
Pupil Transportation	1,397,561	1,333,015	1,124,806	1,025,067	912,155	872,803	764,437	802,666	631,451	688,241
Central	98,210	105,184	525	2,841	-	-	53,449	51,151	55,120	44,907
Non-Instructional Services	31,276	6,350	16,211	11,782	17,673	14,688	12,043	12,768	12,172	5,962
Extracurricular Activities	358,424	311,567	320,194	292,152	277,917	250,277	230,317	185,386	195,459	173,170
Capital Outlay	189,985	11,950	75	57,117	16,046	318,528	429,492	246,407	28,826	9,964
Debt Service	284,891	257,386	189,661	198,578	204,780	204,447	82,836	78,680	-	-
Other Financing Uses	-	-	-	-	-	-	-	-	89,287	84,611
Total	\$ 17,377,432	\$ 15,568,436	\$ 14,462,790	\$ 13,469,157	\$ 12,594,910	\$ 12,607,299	\$ 10,529,106	\$ 9,482,478	\$ 8,280,734	\$ 7,697,313

Source: School District Financial Records

- (1) Fiscal years 1995 through 2002 are reported on a GAAP basis; fiscal year 1993 and 1994 are reported on a cash basis
(2) For fiscal years on a GAAP basis, Other Financing Uses will not be included.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
GENERAL FUND REVENUES BY SOURCE AND OTHER FINANCING SOURCES
LAST TEN FISCAL YEARS

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Taxes	\$ 9,291,913	\$ 8,772,047	\$ 8,649,603	\$ 8,572,104	\$ 7,914,530	\$ 7,027,394	\$ 6,581,115	\$ 5,785,944	\$ 5,659,116	\$ 4,856,860
Intergovernmental	6,694,742	5,623,156	5,075,752	4,783,157	4,327,200	3,835,891	3,877,285	3,346,398	3,114,712	3,150,887
Interest	79,041	244,816	181,610	174,050	148,837	73,618	171,619	126,768	59,085	43,635
Tuition and Fees	224,098	213,103	192,324	174,322	153,140	180,684	140,340	111,288	20,989	13,828
Extracurricular Activities	-	-	-	2,178	1,725	-	-	-	-	-
Miscellaneous	125,684	245,003	41,043	45,774	5,899	4,576	4,556	11,042	47,601	2,257
Other Financing Sources	-	-	-	-	-	-	-	-	34,045	37,583
Total	\$ 16,415,478	\$ 15,098,125	\$ 14,140,332	\$ 13,751,585	\$ 12,551,331	\$ 11,122,163	\$ 10,774,915	\$ 9,381,440	\$ 8,935,548	\$ 8,105,050

Source: School District Financial Records

- (1) Fiscal years 1995 through 2002 are reported on a GAAP basis; fiscal year 1993 and 1994 are reported on a cash basis
- (2) For fiscal years on a GAAP basis, Other Financing Sources will not be included.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>COLLECTION YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>DELINQUENT TAX COLLECTIONS (B)</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>ACCUMULATED OUTSTANDING DELINQUENT TAXES (C)</u>	<u>PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY</u>
2001	\$ 12,192,589	\$ 11,479,785	\$ 314,037	\$ 11,793,822	96.73%	\$ 435,486	3.57%
2000	11,957,856	11,228,520	281,061	11,509,581	96.25%	436,780	3.65%
1999	10,964,776	10,548,683	246,957	10,795,640	98.46%	379,340	3.46%
1998	10,246,421	9,719,506	172,323	9,891,829	96.54%	380,587	3.71%
1997	10,029,358	9,651,196	15,485	9,666,681	96.38%	343,779	3.43%
1996	8,894,553	8,543,967	12,775	8,556,742	96.20%	375,137	4.22%
1995	8,241,813	7,865,631	3,063	7,868,694	95.47%	355,111	4.31%
1994	7,321,683	7,066,587	(A)	7,066,587	96.52%	297,950	4.07%
1993	6,090,503	5,859,158	(A)	5,859,158	96.20%	273,762	4.49%
1992	4,521,293	4,340,499	(A)	4,340,499	96.00%	214,241	4.74%

Source: Greene County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor. Collection year 2001 is the latest complete year for which information is available.

Includes state reimbursements of homestead and rollback exemptions. In addition, the tax information for collection years 1992 through 1994 does not include tangible personal property taxes as information could not practically be obtained by the County Auditor's Office.

(A) Information could not practically be obtained.

(B) Delinquent tax collections reported for collections years 1995 through 1997 does not include delinquent real property as information could not practically be obtained.

(C) Accumulated outstanding delinquent taxes reported for collections years 1992 through 1994 does not include delinquent tangible personal property taxes as information could not practically be obtained.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

COLLECTION YEAR	Real Estate		Public Utility Real and Personal		Tangible Personal		Total		Assessed Value Ratio
	Assessed Value	Actual Value (1)	Assessed Value	Actual Value (1)	Assessed Value	Actual Value (1)	Assessed Value	Actual Value (1)	
2002	\$ 315,024,430	\$ 900,069,800	\$ 13,638,300	\$ 15,498,068	\$ 9,210,699	\$ 36,842,796	\$ 337,873,429	\$ 952,410,664	35.48%
2001	302,615,780	864,616,514	21,443,570	24,367,693	9,686,795	38,747,180	333,746,145	927,731,387	35.97%
2000	290,916,830	831,190,943	22,352,640	25,400,727	6,710,817	26,843,268	319,980,287	883,434,938	36.22%
1999	268,625,630	767,501,800	21,281,240	24,183,227	8,685,359	34,741,436	298,592,229	826,426,463	36.13%
1998	258,621,640	738,918,971	19,523,770	22,186,102	9,188,372	36,753,488	287,333,782	797,858,562	36.01%
1997	249,639,990	713,257,114	19,168,390	21,782,261	8,718,782	34,875,128	277,527,162	769,914,503	36.05%
1996	202,844,950	579,557,000	12,099,710	13,749,670	7,759,100	31,036,400	222,703,760	624,343,070	35.67%
1995	187,338,790	535,253,686	13,705,290	15,574,193	4,456,999	17,827,996	205,501,079	568,655,875	36.14%
1994	176,062,680	503,036,229	13,265,100	15,073,977	5,239,103	20,956,412	194,566,883	539,066,618	36.09%
1993	152,906,290	436,875,114	13,180,740	14,978,114	5,063,777	20,255,108	171,150,807	472,108,336	36.25%

Source: Greene County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:
Real Estate is assessed at 35 percent of actual value
Public Utility Real is assessed at 35 percent of actual value
Tangible Personal Property is assessed at 25 percent of actual value
Public Utility Personal is assessed at 88 percent of true value (with certain exceptions)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

COLLECTION YEAR	SCHOOL LEVY	COUNTY LEVY	JVS LEVY	TOWNSHIP LEVY	TOTAL LEVY	DEBT SERVICE INCLUDED IN TOTAL LEVY			
						SCHOOL	COUNTY	TOWNSHIP	TOTAL
2002	\$ 63.50	\$ 10.63	\$ 3.45	\$ 20.90	\$ 98.48	\$ 2.20	\$ 1.13	\$ -	\$ 3.33
2001	63.58	10.63	3.45	20.90	98.56	3.30	0.65	-	3.95
2000	64.24	9.38	3.45	20.90	97.97	2.94	0.71	-	3.65
1999	64.70	9.08	3.45	20.90	98.13	3.40	0.55	-	3.95
1998	63.35	9.08	3.45	20.90	96.78	4.05	0.07	-	4.12
1997	63.35	9.08	3.45	20.90	96.78	4.05	0.07	-	4.12
1996	64.30	9.08	3.45	19.30	96.13	5.00	0.10	-	5.10
1995	63.50	9.08	3.45	19.30	95.33	5.20	0.20	-	5.40
1994	63.20	9.08	3.45	19.30	95.03	4.90	0.07	-	4.97
1993	58.50	9.08	3.45	19.30	90.33	0.20	0.12	-	0.32

Source: Greene County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN YEARS

<u>COLLECTION YEAR</u>	<u>NET GENERAL OBLIGATION BONDED DEBT (1)</u>	<u>ASSESSED VALUE (2)</u>	<u>POPULATION (3)</u>	<u>RATIO OF NET DEBT TO ASSESSED VALUE</u>	<u>NET DEBT PER CAPITA</u>
2002	\$ 6,193,686	\$ 337,873,429	13,650	1.83%	\$ 454
2001	6,585,931	333,746,145	14,500	1.97%	454
2000	7,178,026	298,592,229	14,500	2.40%	495
1999	7,509,485	287,333,782	10,703	2.61%	702
1998	8,267,165	277,527,162	10,703	2.98%	772
1997	8,950,953	222,703,760	11,336	4.02%	790
1996	9,561,045	205,501,079	11,336	4.65%	843
1995	9,829,485	194,566,883	10,897	5.05%	902
1994	10,289,485	171,150,807	10,897	6.01%	944
1993	330,000	162,547,263	10,479	0.20%	31

(1) Includes all general obligation bonded debt less fund balance in the Debt Service Fund

(2) Source: Greene County Auditor

(3) Source: Fiscal years 1993 to 1999: U.S. Bureau of the Census, Population Estimates Branch
 Fiscal year 2000: Estimates by City of Bellbrook, Ohio and Sugarcreek Township

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2001

<u>JURISDICTION</u>	<u>NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING (1)</u>	<u>PERCENTAGE APPLICABLE TO SCHOOL DISTRICT</u>	<u>AMOUNT APPLICABLE TO SCHOOL DISTRICT</u>
Sugarcreek Local School District	\$ 6,193,868	100.00%	\$ 6,193,868
Greene County	19,048,720	12.68% (2)	<u>2,415,378</u>
			<u>\$ 8,609,246</u>

Source: Greene County Auditor; Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) - Includes all general obligation bonded debt less fund balance in debt service fund

(2) - Percentage of County's valuation within the School District compared to the total valuation of the County

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2002

Assessed Value	<u>\$ 337,873,429</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>30,408,609</u>
Amount of Debt Applicable to Debt Limit: Bonded Debt	(6,801,155)
Amount Available in Debt Service Fund	<u>607,469</u>
Net Bonded Debt	<u>(6,193,686)</u>
Overall Debt Margin	<u>24,214,923</u>
Energy Conservation Debt Limit - 9/10% of 1% of Assessed Value (1)	3,040,861
Amount of Debt Applicable	<u>(372,000)</u>
Energy Conservation Debt Margin	<u>2,668,861</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	337,873
Amount of Debt Applicable	<u>(2,142)</u>
Unvoted Debt Margin	<u>335,731</u>

Source: County Auditor and School District's financial records

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

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST FISCAL TEN YEARS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURES(1)	RATIO OF DEBT SERVICE TO GENERAL FUND EXPENDITURES (PERCENTAGE)
2002	\$ 504,306	\$ 277,877	\$ 782,183	\$ 17,377,432	4.50%
2001	497,093	298,280	795,373	15,568,436	5.11%
2000	481,459	380,943	862,402	14,462,790	5.96%
1999	735,000	420,366	1,155,366	13,469,157	8.58%
1998	660,000	407,581	1,067,581	12,594,910	8.48%
1997	590,000	430,006	1,020,006	12,607,299	8.09%
1996	990,000	395,450	1,385,450	10,529,106	13.16%
1995	460,000	409,270	869,270	9,482,478	9.17%
1994	40,000	16,663	56,663	8,280,734	0.68%
1993	80,000	19,863	99,863	7,697,313	1.30%

Source: School District Financial Records

(1) - Fiscal years 1995 through 2002 are reported on a GAAP basis; fiscal years 1993 and 1994 are reported on a cash basis and include other financing sources.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
STUDENT ENROLLMENT DATA
LAST TEN FISCAL YEARS/TEN YEAR PROJECTION

ACTUAL ENROLLMENT

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2002	2,651
2001	2,603
2000	2,585
1999	2,579
1998	2,558
1997	2,486
1996	2,335
1995	2,170
1994	1,915
1993	1,920

TEN YEAR ENROLLMENT PROJECTION (1)

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2003	2,684
2004	2,698
2005	2,717
2006	2,728
2007	2,740
2008	2,783
2009	2,803
2010	2,868
2011	2,919
2012	3,007

(1) The ten year enrollment projection is required by Ohio law. The process of predicting enrollment is difficult at best, and should be considered only a judgement based on present information. The degree of potential error becomes greater each year into the future, particularly after the point at which predictions are made concerning children not yet born.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>AVERAGE FEDERAL ADJUSTED GROSS INCOME (2)</u>	<u>SCHOOL ENROLLMENT (3)</u>	<u>UNEMPLOYMENT RATE (4)</u>
2002	13,650	(5)	2,651	3.60%
2001	14,500	(5)	2,603	3.40%
2000	14,500	\$ 64,423	2,585	3.60%
1999	10,703	\$ 61,704	2,579	3.60%
1998	10,703	\$ 56,368	2,558	3.60%
1997	11,336	\$ 53,818	2,486	3.50%
1996	11,336	\$ 51,529	2,335	4.20%
1995	10,897	\$ 49,217	2,170	3.80%
1994	10,897	\$ 45,516	1,915	4.80%
1993	10,479	\$ 44,337	1,920	4.60%

Source:

- (1) Fiscal years 1993 to 1999: U.S. Bureau of the Census, Population Estimates Branch.
 Fiscal year 2000 to 2002: Estimates by City of Bellbrook, Ohio and Sugarcreek Township.
- (2) Ohio Department of Taxation
 Information reported on calendar year basis as of December 31 in the respective fiscal year.
- (3) School District Records
- (4) U.S. Department Labor Statistics
 Estimated unemployment rate for civilian labor force in Greene County.
- (5) Information not available

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
PROPERTY VALUE, CONSTRUCTION PERMITS AND BANK DEPOSITS
LAST TEN YEARS

YEAR	NUMBER OF BUILDING PERMITS ALL TYPE (1)	VALUATION OF CONSTRUCTION (1)	CERTIFIED BANK DEPOSITS (1)	ASSESSED PROPERTY VALUE (2)
2002	5,932	\$ 69,872,090	(3)	\$ 337,873,429
2001	4,819	67,845,100	(3)	333,746,145
2000	4,763	57,987,970	(3)	298,592,229
1999	6,513	47,421,370	(3)	287,333,782
1998	3,740	47,173,330	166,034,000	277,527,162
1997	2,554	64,407,740	268,999,000	222,703,760
1996	3,985	66,259,180	277,545,000	205,501,079
1995	4,335	68,740,800	247,816,000	194,566,883
1994	3,440	39,963,400	257,906,000	171,150,807
1993	3,273	32,135,790	398,710,000	162,547,263

(1) Source: Greene County, Ohio Annual Comprehensive Financial Report. Amounts reported are for Greene County as information specific to the District was not available. Information is presented on a calendar basis, the manner in which it is maintained by the County.

(2) Source: Greene County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(3) Information not available

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS - REAL AND PUBLIC UTILITY PERSONAL PROPERTY
DECEMBER 31, 2001

<u>NAME OF TAXPAYER</u>	<u>ASSESSED VALUE (1)</u>	<u>PERCENT OF TOTAL ASSESSED VALUE</u>
Dayton Power and Light Company	\$ 9,911,340	3.02%
Papock Herbert	3,650,360	1.11%
Sugarcreek Crossing LLC	3,202,090	0.97%
Lofino Properties LLC	3,159,700	0.96%
Five Seasons Sports Country Club	2,715,230	0.83%
Mill Pond Limited Partnership	2,220,330	0.68%
Sunset Development - Sugarcreek	2,200,560	0.67%
Sugarcreek Associates	2,088,060	0.64%
Briggs Road Associates	1,613,220	0.49%
Spears Wendell Enterprises	<u>1,550,080</u>	<u>0.00%</u>
Subtotal	32,310,970	9.83%
All Other Taxpayers	<u>296,351,760</u>	<u>90.17%</u>
Total Assessed Valuation	<u>\$ 328,662,730</u>	<u>100.00%</u>

Source: Greene County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) Assessed Values are for collection year 2002

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS - TANGIBLE PERSONAL PROPERTY
DECEMBER 31, 2001

<u>NAME OF TAXPAYER</u>	<u>ASSESSED VALUE (1)</u>	<u>PERCENT OF TOTAL ASSESSED VALUE</u>
Lowes Home Centers Inc.	\$ 1,570,200	17.05%
Walmart Stores East Inc.	1,477,560	16.04%
Kohls Department Stores Inc.	631,340	6.85%
Kroger Limited Partnership	537,800	5.84%
Time Warner Entertainment Co.	428,050	4.65%
Dayton Foods LTD Partnership	395,950	4.30%
Five Seasons Sports Country Club	332,760	3.61%
Drug Emporium Inc.	314,310	3.41%
Split Decisions Enterprises Inc.	294,500	3.20%
Ernst Enterprises	<u>282,200</u>	<u>3.06%</u>
Subtotal	6,264,670	68.02%
All Other Taxpayers	<u>2,946,029</u>	<u>31.98%</u>
Total Assessed Valuation	<u>\$ 9,210,699</u>	<u>100.00%</u>

Source: Greene County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) Assessed Values are for collection year 2002

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
COST PER PUPIL
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>GENERAL FUND EXPENDITURES (1)</u>	<u>AVERAGE DAILY MEMBERSHIP</u>	<u>PER PUPIL COST</u>
2002	\$ 17,377,432	2,651	\$ 6,555
2001	15,568,436	2,603	5,981
2000	14,462,790	2,585	5,595
1999	13,469,157	2,579	5,223
1998	12,594,910	2,558	4,924
1997	12,607,299	2,486	5,071
1996	10,529,106	2,335	4,509
1995	9,482,478	2,170	4,370
1994	8,280,734	1,915	4,324
1993	7,697,313	1,920	4,009

Source: School District Financial Records

(1) 1995 - 2002 are reported on a GAAP basis; 1993 & 1994 are on a cash basis.
 Years reported on a GAAP basis do not include other financing sources.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
LEVY HISTORY
LAST TEN YEARS

<u>DATE</u>	<u>MILLAGE</u>	<u>FOR</u>	<u>AGAINST</u>	<u>PERCENT FOR LEVY</u>	<u>PURPOSE</u>
6/2/92	8.00	2,201	1,444	60.38%	Three year current operating levy
11/2/93	4.90	2,297	1,996	53.51%	Bond issue for construction of new high school
5/2/95	9.00	1,315	1,437	47.78%	Replacement of current operating levy for continuing time period.
8/8/95	9.00	1,668	1,227	57.62%	Replacement of current operating levy for five years.
8/5/97	1.90	769	1,227	38.53%	Five year school improvement
11/4/97	1.90	1,829	2,192	45.49%	Five year school improvement
2/3/98	2.00	(A)	(A)	N/A	Continuing permanent improvement levy
11/2/99	9.00	2,000	1,264	61.27%	Replacement of current operating levy for five years.

Source: Greene County Board of Elections.

(A) Official results could not be provided.



STATE OF OHIO
OFFICE OF THE AUDITOR

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SUGARCREEK LOCAL SCHOOL DISTRICT

GREENE 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
DECEMBER 31, 2002**