

Sugarcreek Local School District

Greene County, Ohio

Single Audit

For the Fiscal Year Ended June 30, 2005



BALESTRA, HARR & SCHERER
CERTIFIED PUBLIC ACCOUNTANTS
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**Auditor of State
Betty Montgomery**

Board of Education
Sugar creek Local School District
Bellbrook, Ohio

We have reviewed the *Independent Auditor's Report* of the Sugar creek Local School District, Greene County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Sugar creek Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

March 2, 2006

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Sugarcreek Local School District
Greene County, Ohio

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Sugarcreek Local School District
Greene County
Schedule of Federal Awards Receipts and Expenditures
For the Year Ended June 30, 2005

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
United States Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
<i>Nutrition Cluster:</i>						
Food Distribution Program	NA	10.550		\$7,160		\$7,160
National School Lunch	LLP4	10.555	73,821		73,821	
Total United States Department of Agriculture - Nutrition Cluster			73,821	7,160	73,821	7,160
United States Department of Education						
<i>Passed through Ohio Department of Education</i>						
Title 1 Grants to Local Education Agencies	C1S1	84.010	103,785		100,732	
<i>Administered by Greene County Educational Service Center on behalf of the District</i>						
Title 1 Grants to Local Education Agencies	NA	84.010	980		980	
Total Title 1 Grants to Local Education Agencies			104,765		101,712	
<i>Passed through Ohio Department of Education</i>						
<i>Special Education Cluster</i>						
Special Education Grants to States	6BSF	84.027	449,397		449,397	
Special Education - Preschool Grant	PGS1	84.173	22,554		22,554	
Total Special Education Cluster			471,951		471,951	
<i>Administered by Greene County Educational Service Center on behalf of the District</i>						
State and Drug-Free Schools and Communities - National Program	NA	84.184	1,435		1,435	
<i>Passed through Ohio Department of Education</i>						
State and Drug-Free Schools and Communities - State Grants	DRS1	84.186	8,962		8,962	
Total Safe and Drug-Free Schools and Communities			10,397		10,397	
State Grants for Innovative Programs	C2S1	84.298	11,132		11,127	
Education Technology State Grants	TJS1	84.318	2,807		2,788	
Improving Teacher Quality State Grants	TRS1	84.367	50,528		50,528	
Title III Limited English Proficiency	NA	84.194	6,596		6,596	
Total United States Department of Education			658,176	0	655,099	0
United States Department of Health and Human Services						
<i>Administered by Greene County Educational Service Center on behalf of the District</i>						
Medical Assistance Program	NA	93.778	11,031		11,031	
Total Federal Financial Assistance			\$743,028	\$7,160	\$739,951	\$7,160

N/A - Not Available

See accompanying notes to schedule of federal awards receipts and expenditures

Sugarcreek Local School District
Notes to Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2005

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures includes the federal grant activity of the Sugarcreek Local School District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTIONS

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2005, the District had no significant food commodities in inventory.

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

Members of the Board
Sugarcreek Local School District
60 East South Street
Bellbrook, Ohio 45305

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sugarcreek Local School District (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2005-001 through 2005-003.

We noted certain matters that we reported to the management of the District in a separate letter dated November 17, 2005.

Members of the Board
Sugarcreek Local School District
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
Page 2

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

November 17, 2005

BALESTRA, HARR & SCHERER, CPAs, INC.

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

Members of the Board
Sugarcreek Local School District
60 East South Street
Bellbrook, Ohio 45305

Compliance

We have audited the compliance of Sugarcreek Local School District (the District) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2005. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program 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 of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

Members of the Board
Sugarcreek Local School District
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR
A-133

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 the internal control over compliance in accordance with OMB Circular A-133.

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 reportable 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 caused by error or fraud 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 financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 22, 2005. Our audit was performed for the purpose of forming an opinion on the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Balestra, Harr & Scherer, CPAs, Inc.

November 17, 2005

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 SECTION .505**

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY
JUNE 30, 2005**

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):	Special Education Cluster 84.027 & 84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505
(Continued)

SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY
JUNE 30, 2005

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

FINDING NUMBER 2005-001

Noncompliance Citation

Ohio Rev. Code Section 5705.36 allows all subdivisions to request increased and reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue collected will be greater or less than the amount in the official certificate of estimated resources.

Budgeted receipts exceeded actual receipts in the Bond Retirement fund by 16.3% and in the Building Fund by 8.5%. The District did not request amended certificates when it became apparent that estimated resources would be less than the amount in the official certificate of estimated resources for the funds listed above. This could result in expenditures being made for which resources are not available or appropriations being made when revenues have not been certified.

We recommend the District Treasurer and School Board monitor estimated and actual revenue for all funds on a regular basis. Furthermore, when it becomes evident that actual receipts will be greater or less than budgeted receipts, an amended certificate should be requested from the County Auditor and appropriations should be adjusted accordingly.

FINDING NUMBER 2005-002

Noncompliance Citation

Ohio Rev. Code Section 5705.39 states that the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. If a local government is participating in a grant or loan program whereby proceeds will be received after the expenditures are incurred, it is possible that if properly budgeted, appropriations for one fiscal year will exceed the available amount on the certificate of estimated resources. However, an advance should be used to prevent a negative fund balance.

Appropriations exceeded the total estimated resources in the Bond Retirement Fund by 28%. This could result in deficit spending.

We recommend the District Treasurer and School Board monitor revenues compared to appropriations for all funds on a regular basis.

FINDING NUMBER 2005-003

Noncompliance Citation

Ohio Rev. Code Section 5705.38 states that the board of education shall pass an annual appropriation measure by the first day of October.

During the audit, it was noted that a permanent appropriation measure was not passed for fiscal year 2005.

We recommend the District Treasurer and Board of Education pass the required permanent appropriation measure by the first of October.

3. FINDINGS FOR FEDERAL AWARDS

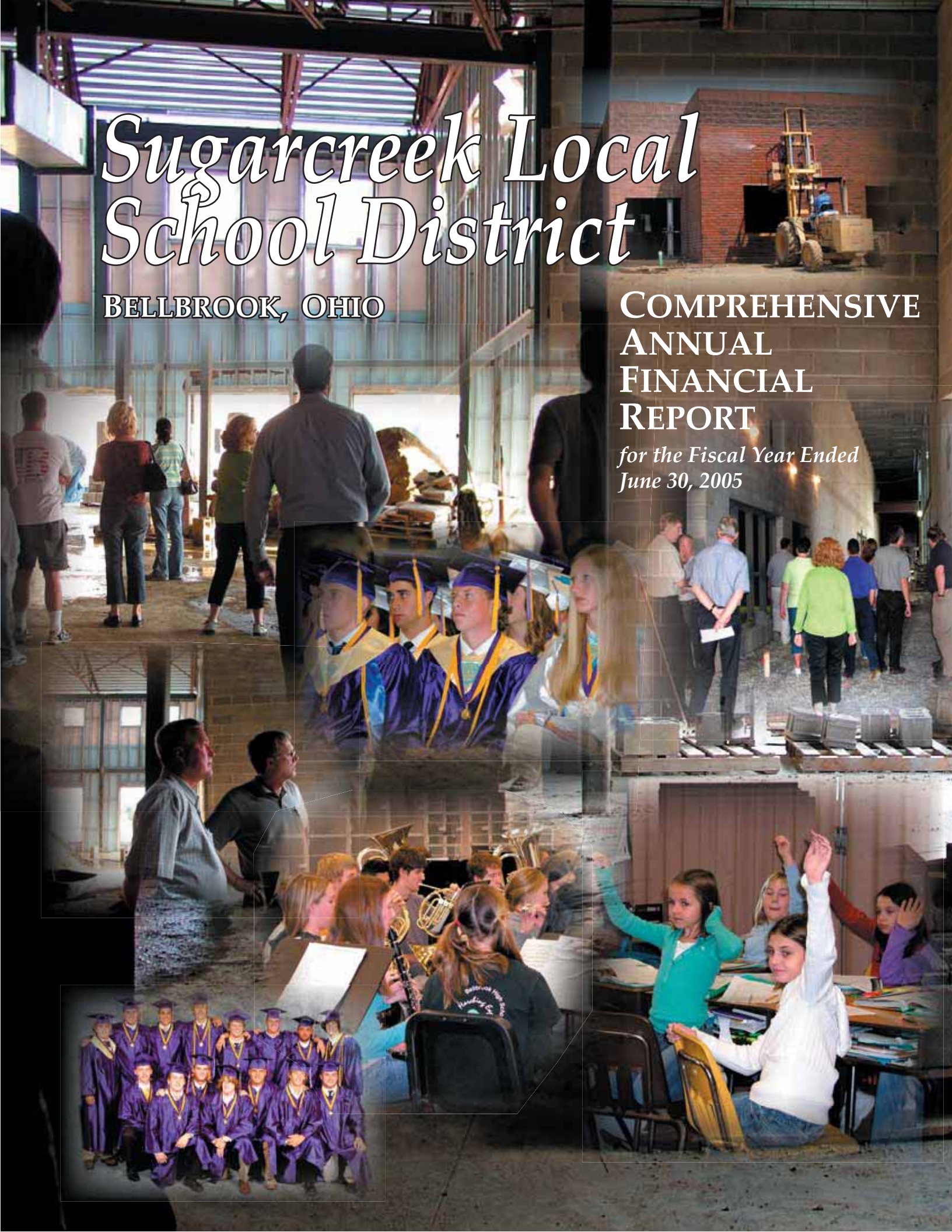
None.

Sugarcreek Local School District

BELLBROOK, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Fiscal Year Ended June 30, 2005



Sugarcreek Local School District

Bellbrook, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2005

Issued By:
Treasurer's Office

Kevin Liming
Treasurer

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Introductory Section

FINANCIAL STATISTICAL

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

*for the Fiscal Year Ended
June 30, 2005*



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**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
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 GREENE COUNTY, OHIO
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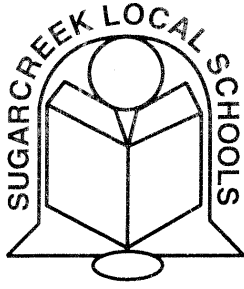
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**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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SUGARCREEK LOCAL SCHOOL DISTRICT
"Soaring Toward Excellence"

KEVIN L. LIMING
Treasurer

November 30, 2005

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, 2005. This 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 School District for fiscal year 2005.

Management of the School District assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurances that the financial statements are free of any material misstatements.

The School District, along with the Auditor of State of Ohio, has selected Balestra, Harr & Scherer, CPAs, Inc. to perform the School District's annual audit. Their unqualified ("clean") opinion on the School District's financial statements for the fiscal year ended June 30, 2005 is located at the front of the financial section of this report.

Management is required to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors within the financial section.

DISTRICT PROFILE

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 School District was formed as an independent school district sometime prior to 1930 and currently provides educational services to residences of the City of Bellbrook and Sugarcreek Township in Greene County Ohio, as well as some parts of residential property located in Warren County, Ohio. The population of this area is estimated to be approximately 14,450 residents. The City of Bellbrook and Sugarcreek Townships are considered an upscale residential suburb of the City of Dayton, Ohio. The socioeconomic profile of District residents, as measured by income levels and housing values, is substantially above average for the State of Ohio.

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 the state and/or federal agencies. The Board of Education controls the School District's instructional/support facilities which are staffed by a full-time equivalent staff of 286 employees who provide services to 2,776 students in grades K thru 12.

The Board of Education must adopt its annual appropriation measure before October 1st of each fiscal year. Appropriations may be amended throughout the year as needed through Board action. Annual appropriations and any amendments may not exceed the School District's certified estimate of resources. The Board of Education approves the annual appropriation measure at the fund level; therefore any modification of appropriation amounts which alter the total appropriations for any fund must be approved by the Board of Education in advance. Management has discretion in how to allocate appropriations to accounts below the fund level.

LOCAL ECONOMY

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 additional retail development continues near the Interstate 675 interchange. Despite these developments within the boundaries of the School District, the majority of the residences commute to and work in adjacent communities. While the exact unemployment rate of those living within the District, it is commonly accepted the unemployment rate experienced by District residents is dramatically lower than the 6 percent reported for the county as a whole.

With the current growth in residential housing developments within the School District, the student population is expected to continue to increase at rates similar to, or above, those experienced in the recent past (between seven to ten percent annually). Current projections estimate the student enrollment to reach 3,677 in ten years, an increase of over 32 percent of the fiscal year 2005 school enrollment.

DISTRICT ACHIEVEMENTS

Academics

- The School District earned the highest rating ("EXCELLENT") from the Ohio Department of Education on its 2004-05 District Report Card by exceeding established benchmarks in all of the 23 indicators reported. In addition, the high school students achieved one of the top four scores in the area on the new Ohio Graduation Test (OGT).
- Developed a CD-Rom resource of grade-level Benchmark Assessment Questions based on the Science and Social Studies Standards to help teachers in grades three through ten align classroom assessments to the state-mandated tests through the Greene County Educational Service Center's writing teams.

Financial

- The Financial Advisory Committee met four times during the year to continue to share information and work on financial strategies. This committee serves as the district audit committee, reviews the five year financial forecast, approves the revised By-Laws of the Bellbrook Sugarcreek Education Foundation and prepares strategies and action plans for the financial goals of the District Strategic plan.
- Voters passed a 6.2 mill replacement operating levy with collections to begin in January of 2006. This will generate approximately \$2 million annually to fund operations of the school district. The passage of this levy counteracts some of the effects of state budget cuts for our schools. This levy will also help finance operations of the additions and renovations to district facilities.

Facilities

- Additions and Renovations to Bellbrook High School were completed in August of 2005. Construction is ongoing for renovations and additions to Stephen Bell Elementary School, to be completed in the Spring of 2006. Construction is also underway for a new middle school which is scheduled to open in the Fall of 2006. These three construction projects are a part of the \$48 million bond issue that was passed by voters in 2003.
- Purchased three new school buses and completed the update and renovation of the baseball complex.

Staff Development

- Presented three Teacher In-service Days for instructional staff. The in-services included programs to support the implementation of Everyday Mathematics, the new Fine Arts, Foreign Language and Technology Standards, the district-wide Crisis Safety Plan, and various grade-level and department meetings for program planning.
- Coordinated participation of 15 teachers in the 2004-05 State Institutes for Reading Instruction (SIRI) sponsored by the Ohio Department of Education during the period of October, 2004 to June, 2005.

Technology

- Completed the first phase of the district-wide fiber optic network with final completion targeted early in the 2005-06 school year. The first phase included the installation and configuration of a new file server for the district-wide fiber optic network.
- The Board of Education approved moving forward with the technology plan developed to enhance classroom technology, including interactive whiteboards, video projectors, and document cameras. The technology plan also includes variety of training sessions for teachers on the use of this technology.

MAJOR DISTRICT INITIATIVES

Academics

- Continue to seek improvement on the District's Department of Education report card including keeping the designation of academic excellence.

Financial

- Continue to research and discuss the possibility of placing an income tax levy on the ballot in a few years, with an associated major reduction in property tax millage. This would help to shift some of the burden from property owners to wage earners.
- Support the development of the Bellbrook Sugarcreek Education Foundation by making available lists of alumni, providing meeting spaces, and educating the community about scholarships, capital projects and the arts.

Facilities

- Complete the construction of a new middle school with renovations and additions to the other buildings. In addition, an on-going review of current facilities and coordination of efforts with the architect.
- Continuation of the School District's school buses replacement schedule by purchasing three new school buses.

Staff Development

- Continue enrichment through in-service and obtaining waiver from State for additional staff development day.

Technology

- Continued contact with the community by providing technology based seminars as well as enhancing communication with community and parents through use of e-mail and the District's newly revised website.
- Complete the comprehensive technology plan for Bellbrook Middle School, which is currently being constructed and is expected to be completed in 2006.

MISCELLANEOUS

In the prior fiscal year, the School District made the decision not to prepare a Comprehensive Annual Financial Report (CAFR) for fiscal year 2004 as a means to help balance the District's budget with as little impact to instructional programs as possible. The School District had previously received a Certificate of Achievement in Financial Reporting from the Government Finance Officers Association (GFOA) for four straight fiscal years. With the passage of the recent replacement levy, the decision was made to prepare this CAFR and submit it to the GFOA to determine its eligibility for another Certificate of Achievement in Financial Reporting. We believe this CAFR meets all program requirements.

ACKNOWLEDGEMENTS

The preparation of the 2005 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, the staff of the Treasurer's Office, Clark, Schaefer, Hackett & Company, and Richard Cost.

Respectfully submitted,



Kevin L. Liming
Treasurer

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2005

Board of Education

Dr. John Harmeyer, President
Elizabeth Betz, Vice President
Dr. Timothy Anderson, Member
Mary Frantz, Member
Michael Froning, Member

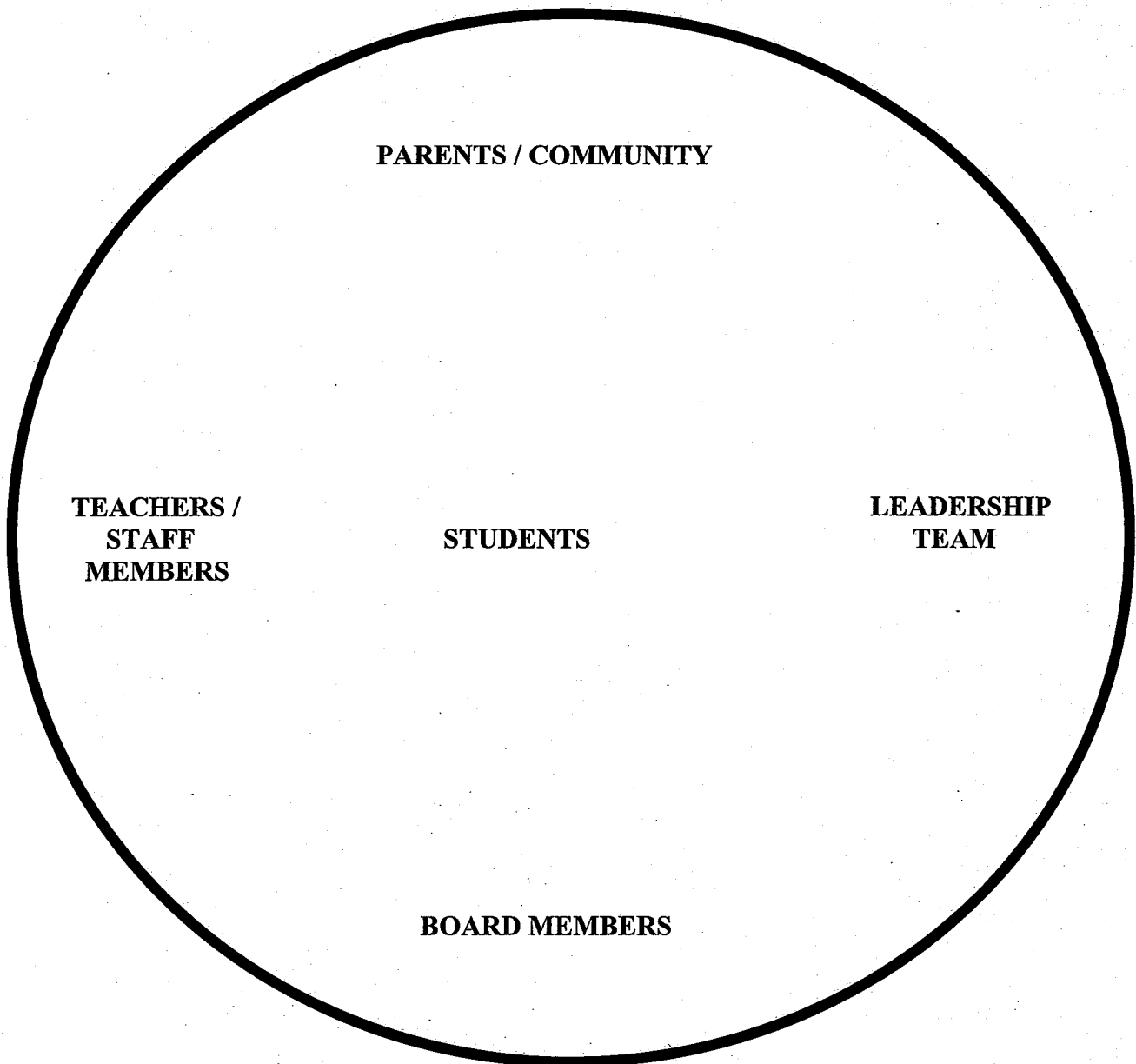
Administration Team

Dr. Keith St. Pierre, Superintendent
Kevin Liming, Treasurer/CFO
William Wright, Business Manager
Katherine Poston, Director of Curriculum
Tonya Wilson, Special Education Supervisor
Charles Birkholtz, Principal, Bellbrook High School
Amy Baldrige, Assistant Principal, Bellbrook High School
Brain Newell, Assistant Principal, Bellbrook High School
Jeness 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



Financial Section

INTRODUCTORY STATISTICAL

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

for the Fiscal Year Ended
June 30, 2005



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BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditor's Report

Members of the Board
Sugarcreek Local School District
60 East South Street
Bellbrook, Ohio 45305

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sugarcreek Local School District (the District), Greene County, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

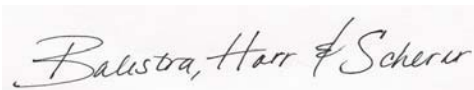
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2005, and the respective changes in financial position thereof, and the respective budgetary comparisons for each major 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 17, 2005 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Balestra, Harr & Scherer, CPAs, Inc.

November 17, 2005

SUGARCREEK LOCAL SCHOOL DISTRICT
Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

The discussion and analysis of the Sugarcreek Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2005 are as follows:

Overall:

- Total net assets increased \$1.3 million compared with the \$106,857 reported in fiscal year 2004.
- Total assets of governmental activities increased \$3.7 million, attributed primarily to the construction in progress capitalized during the year associated with the construction of a new middle school building in the School District.
- General revenues accounted for \$24.6 million or 92.3 percent of total revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions account for \$2.1 million or 7.7 percent of total revenues of \$26.7 million.
- During the fiscal year, actual construction on the School District's new middle school building began. Financing for this project was approved by voters and the School District issued \$48 million worth of general obligation bonds during the prior fiscal year. During the year, \$15 million of construction in progress was capitalized associated with the project resulting in \$16.8 million being reported as construction in progress at June 30, 2005.
- The general fund of the School District ended fiscal year 2005 with an unreserved, undesignated fund deficit of \$1.2 million, which is virtually the same as the deficit reported during the prior fiscal year. Increased operational costs, as well as limitations on the growth rate of the School District's primary revenues sources, are the main factors contributing to the fund deficit. Voters of the School District have approved a replacement operating levy which will provide additional funding needed to meet the day-to-day operational expenses for the near future. Management continues to seek long-term solutions to funding issues.

Using the Basic Financial Statements

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2005

Unaudited

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. Major funds for the School District include, the general fund (the School District's operating fund), the debt service fund, the permanent improvement fund, and the building fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2005?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Most of the School District's activities are reported as governmental activities. These include, but are not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins after the statement of activities in the financial section of this report. Fund financial reports provide detailed information about the General, Debt Service, Permanent Improvement and Building Funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other governmental funds.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2005 compared to 2004:

TABLE 1
NET ASSETS

	<u>2005</u>	<u>2004</u>
<i>Assets</i>		
Current and Other Assets	\$ 44,198,710	\$ 54,954,871
Capital Assets	<u>32,666,341</u>	<u>18,196,062</u>
Total Assets	76,865,051	73,150,933
<i>Liabilities:</i>		
Long-term Liabilities	53,043,008	53,354,738
Other Liabilities	<u>16,391,911</u>	<u>13,710,239</u>
Total Liabilities	69,434,919	67,064,977
<i>Net Assets:</i>		
Invested in Capital Assets, Net of Debt	8,517,440	7,950,873
Restricted	2,195,220	956,260
Unrestricted	<u>(3,282,528)</u>	<u>(2,821,177)</u>
Total Net Assets	<u>\$ 7,430,132</u>	<u>\$ 6,085,956</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2005, the School District's net assets were \$7.4 million. Of that amount, approximately \$8.5 million was invested in capital assets, net of debt related to those assets. Another \$2.2 million was subject to external restrictions upon its use. The remaining unreserved deficit of \$3.3 million was due to the accruals of long-term liabilities for which the School District does not currently have resources to cover. While the recent passage of a replacement operating levy will provide resources needed to meet the day-to-day operational expenses of the School District in the near term, management is actively working to seek a long-term solution to the funding issues facing the School District.

SUGARCREEK LOCAL SCHOOL DISTRICT
Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

As the construction on the School District's new middle school building began in fiscal year 2005, the cash held at June 30, 2004 was used to finance this project. This reduction in current assets was somewhat offset by increases reported in taxes receivables. With the \$15 million of construction in progress added during the year, the current assets of the School District increased by 5.1 percent over June 30, 2004. The increase in current liabilities reported at the end of fiscal year 2005 was due to higher deferred revenue associated with the taxes receivables reported. As these taxes are not intended to fund current year operations, revenue is deferred at year end.

Additional net assets restricted for debt service and capital projects associated with the new middle school building project reported at June 30, 2005 account for the increase in restricted net assets. The increase in the unrestricted deficit reported for fiscal year 2005 was due to the operational results for the year as well as additional restrictions placed on net assets.

Table 2 shows the changes in net assets for fiscal years 2005 and 2004.

TABLE 2
CHANGES IN NET ASSETS

	<u>2005</u>	<u>2004</u>
<i>Revenues:</i>		
<i>Program Revenues:</i>		
Charges in Services	\$ 1,206,150	\$ 1,220,579
Operating Grants & Contributions	820,659	678,695
Capital Grants & Contributions	39,304	16,071
<i>General Revenues:</i>		
Property taxes	14,198,191	12,603,522
Grants & Entitlements	8,035,944	8,003,879
Other	<u>2,415,897</u>	<u>603,256</u>
Total Revenues	<u>26,716,145</u>	<u>23,126,002</u>
<i>Program Expenses:</i>		
Instruction	11,316,764	10,330,594
<i>Support Services:</i>		
Pupils and Instructional Staff	3,030,288	2,727,735
Board of Education, Administration, Fiscal and Business	2,437,534	2,394,745
Plant Operation and Maintenance	2,137,229	1,754,322
Pupil Transportation	1,744,302	1,541,395
Central	85,132	122,872
Operation of Non-Instructional Services	712,394	582,234
Extracurricular Activities	1,020,552	1,022,039
Unallocated Depreciation	453,581	454,454
Interest and Fiscal Charges	<u>2,434,193</u>	<u>2,088,755</u>
Total Expenses	<u>25,371,969</u>	<u>23,019,145</u>
<i>Change in Net Assets</i>	<u>\$ 1,344,176</u>	<u>\$ 106,857</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 Unaudited

As shown in Table 2, \$22.2 million, or 83.0 percent, of the School District's total revenue is derived from property taxes and state entitlement programs. While the increase in property tax revenue, \$1.6 million, is significant, approximately \$1.1 of this increase is derived from tax collections on the bond levy which must be used to pay the debt service of the bonds used to construct the new middle school building. The remaining \$500,000 of the increase in property tax revenue was used to support operations (\$490,000) as well as to finance other capital projects throughout the School District (\$10,000). Revenue from state entitlement programs, or Foundation payments, increased by under one percent from the amount received during fiscal year 2004. Interest revenue received during fiscal year 2005 increased due to the School District having additional funds available for investing due to the issuance of the general obligation bonds during the prior year.

Total expenses of the School District increased by \$2.4 million, or 10.2 percent, in fiscal year 2005 compared with fiscal year 2004. The primary reason for this increase is directly related to personnel costs; cost of living increases as well as the ever increasing cost of providing employees with insurance benefits. Other increases were noted in the operation of plant and maintenance associated with several repair and maintenance projects performed throughout the School District on various facilities during the year. In addition, interest and fiscal charges increased by \$345,000 over that reported for fiscal year 2004 due to the reporting of additional interest associated with the debt issued to construct the new middle school building.

Some of the School District's activities are financed through user charges, tuition and fees, and/or specific grants or contributions. These revenue sources are defined as program revenues, and the statement of activities shows these revenues in conjunction with the expenses of the School District to present the net cost of each function reported by the School District; that is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements. Table 3 shows the net cost of service reported for fiscal year 2005 compared with those reported for fiscal year 2004.

TABLE 3
NET COST OF SERVICE

	<u>2005</u>	<u>2004</u>
Instruction	\$ 10,725,993	\$ 9,735,148
Support Services:		
Pupils and Instructional Staff	2,599,871	2,447,622
Board of Education, Administration, Fiscal and Business	2,437,534	2,394,745
Plant Operation and Maintenance	2,134,518	1,751,532
Pupil Transportation	1,729,778	1,525,324
Central	85,132	122,872
Operation of Non-Instructional Services	194,588	74,646
Extracurricular Activities	510,668	508,702
Unallocated Depreciation	453,581	454,454
Interest and Fiscal Charges	2,434,193	2,088,755
Total Net Cost of Service	<u>\$ 23,305,856</u>	<u>\$ 21,103,800</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 Unaudited

In fiscal year 2005, 91.9 percent of the School District's expenses were financed through property taxes and state foundation revenues (general revenues), which is essentially the same percentage as fiscal year 2004. In fiscal year 2005, the School District had program revenues totaling \$2.1 million compared with \$1.9 million in fiscal year 2004. These statistics indicate how dependent the finances of the School District are on property taxes and state foundation revenue.

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$26.6 million and expenditures of \$40.5 million. Of the \$40.5 million expenditures reported, \$15.5 million was capital outlay. The net decrease in total governmental fund balance of \$13.5 million resulted in an overall fund balance of \$27.2 million for all governmental funds. Of this fund balance, \$23.0 million was reserved for various purposes, which left approximately \$4.2 million as unreserved, undesignated fund balance in the various governmental funds.

The School District's general fund, the primary operating fund, ended fiscal year 2005 with an unreserved, undesignated fund deficit of nearly \$2.2 million, virtually the same as that reported at June 30, 2004. Despite increases in property tax revenue, as well as additional interest earned during the year, increased operational costs offset these increases resulting in an increase in fund balance for fiscal year 2005 of \$44,285. Additional property tax revenues from the approved replacement operating levy will start to be collected in calendar year 2006 and are anticipated to be a short-term solution to the School District's funding issues.

General Fund Budgeting Highlights

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

For the General Fund, budget basis revenue was \$19.5 million as compared to the original budget estimates of \$19.0 million. The School District received slightly higher than expected levels of taxes and interest receipts during the fiscal year.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$19.3 million, which were over \$336,000 less than the \$19.6 million originally budgeted. Higher than expected expenditures in the instructional, administration and extracurricular activities area were offset by the lower than expected debt service expenditures realized during the year.

As the budget for the General Fund is amended throughout the fiscal year for unanticipated revenues and expenditures, the final amended budget amounts approximate the actual budgetary results realized by the School District.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 Unaudited

Capital Assets

At the end of fiscal year 2005, the School District had \$32.7 million invested in land, buildings, furniture and equipment, vehicles, and construction in progress in governmental activities. Table 4 shows fiscal year 2005 balances compared to 2004. For additional detail on the School District's capital assets readers should review Note 8 to the basic financial statements.

TABLE 4
CAPITAL ASSETS

	<u>2005</u>	<u>2004</u>
Land	\$ 3,432,055	\$ 3,432,055
Improvements	1,284,705	1,284,705
Building Improvements	16,881,064	16,881,064
Equipment	2,460,870	2,382,539
Vehicles	2,623,352	2,505,563
Construction in Progress	16,674,410	1,707,528
Less: Accumulated Depreciation	<u>(10,690,116)</u>	<u>(9,997,392)</u>
Total Capital Assets	<u>\$ 32,666,340</u>	<u>\$ 18,196,062</u>

Overall, net capital assets increased approximately \$14.5 million from fiscal year 2004. The increase in capital assets results from the capitalization of the construction or acquisition of capital assets during the fiscal year being a greater amount than the amount of depreciation being charged against the assets.

As previously mentioned, the School District is in the middle of building a new middle school building. The actual construction of this building began in fiscal year 2005 and therefore a significant amount of costs were incurred during the year associated with the project. During the year, the School District reported \$15.0 million of costs related to the new school building project. These costs added to the preliminary costs of the project reported in fiscal year 2004 resulted in a year-end construction in progress amount of \$16.7 million.

Other significant capital purchases made during the fiscal year included three school busses at a total cost of nearly \$178,000, another vehicle costing approximately \$7,600, and various pieces of computer equipment at a cost of just under \$88,500.

Since fiscal year 2000, Ohio law requires school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional supplies. For fiscal year 2005, this amounts to approximately \$375,000 for each set aside requirement. Conversely, the School District spent approximately \$556,000 on textbooks and instructional supplies and \$12.9 million on capital improvements during fiscal year 2005, significantly more than the amounts required.

Cost associated with repair and maintenance of the School District's facilities and other assets that do not extend the useful life of the capitalized item, is included within the plant operation and maintenance function.

SUGARCREEK LOCAL SCHOOL DISTRICT
Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Debt Administration

At June 30, 2005, the School District had two general obligation bond issues outstanding with outstanding principal of \$49.7 million, of which \$1.19 million is due within one year.

Other debt obligations of the School District include capital leases and long-term notes payable. As of June 30, 2005 the School District had approximately \$937,500 of capital lease obligations outstanding. The lease arrangements provided financing for the facility used to house the School District's transportation department as well as various pieces of computer and technology equipment. The long-term notes were issued to facilitate energy conservation projects at the school buildings with the anticipated outcome being the savings realized from these projects would be sufficient to repay the debt. At the end of fiscal year 2005, \$75,500 of these notes were outstanding and are scheduled to be paid off during fiscal year 2006.

For more detailed disclosures regarding the School District's debt obligations the reader should refer to the notes to the basic financial statements.

For the Future

Sugarcreek Local School District continues to struggle with increasing enrollment and the reduction in operating revenue provided by the State of Ohio. The School District has experienced a steady increase of approximately 60 students per year for the last decade. Legislative decisions continue to reduce operating funds through the planned phase out of the inventory tax base and reduced foundation subsidy payments. It is anticipated that the realized state funding for fiscal year 2006 will be approximately \$250,000 less than the amount received in funding for fiscal year 2005. These factors coupled with negotiated wage increases for the next fiscal year, and increasing operating cost will continue to put a financial strain on the School District.

Voters of the District approved a 6.2 mill replacement operating levy which will generate approximately \$2.0 million to finance day-to-day operational expenses as well as needed repair and maintenance projects to school facilities throughout the School District. These additional tax receipts coupled with budget cuts instituted by the Board of Education in prior fiscal years, should enable the School District to remain financially stable over the next few years. The Board of Education and the administration are working on seeking a long-term solution to the School District's funding issues.

To address classroom space deficiencies caused by the increasing enrollment, a new middle school will be constructed with the proceeds of a \$48 million bond issue approved in May 2003. In addition to the construction of the new middle school, all other school buildings will receive renovations and/or additions. Bids on all of these projects have been received and construction is underway in some part on all projects.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Sugarcreek Local School District, 60 East South Street, Bellbrook, OH 45305 or call (937) 848-4800.

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2005

	Governmental Activities
Assets:	
Equity in pooled cash, cash equivalents, and investments	\$ 28,174,870
Cash and cash equivalents with fiscal agents	7,628
Receivables:	
Property and other taxes	15,116,636
Accounts	28,891
Intergovernmental	37,785
Accrued Interest	72,926
Deferred charges	609,830
Restricted Assets:	
Equity in pooled cash and cash equivalents	150,144
Non-depreciable capital assets	20,106,465
Depreciable capital asset, net	12,559,876
Total Assets	76,865,051
Liabilities:	
Accounts payable	69,304
Accrued wages and benefits payable	1,894,314
Intergovernmental payable	371,211
Accrued interest payable	196,450
Deferred revenue	13,710,488
Payable from restricted assets:	
Retainage payable	150,144
Long Term Liabilities:	
Due within one year	1,612,414
Due in more than one year	51,430,594
Total Liabilities	69,434,919
Net Assets:	
Invested in capital assets, net of related debt	8,517,440
Restricted for:	
Debt service	1,623,362
Capital projects	563,672
Other purpose	8,186
Unrestricted	(3,282,528)
Total Net Assets	\$ 7,430,132

See accompanying notes to the basic financial statements.

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**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for services & sales	Operating grants and contributions	Capital grants and contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$ 9,735,077	\$ 246,642	\$ 34,241	\$ 24,780	\$ (9,429,414)
Special	1,581,687	-	285,108	-	(1,296,579)
Support Services:					
Pupils	1,067,645	-	8,571	-	(1,059,074)
Instructional staff	1,962,643	-	421,846	-	(1,540,797)
Board of education	75,315	-	-	-	(75,315)
Administration	1,720,829	-	-	-	(1,720,829)
Fiscal	579,921	-	-	-	(579,921)
Business	61,469	-	-	-	(61,469)
Operation and maintenance of plant	2,137,229	-	2,711	-	(2,134,518)
Pupil transportation	1,744,302	-	-	14,524	(1,729,778)
Central	85,132	-	-	-	(85,132)
Operation of non-instructional services	712,394	449,624	68,182	-	(194,588)
Extracurricular activities	1,020,552	509,884	-	-	(510,668)
Interest and fiscal charges	2,434,193	-	-	-	(2,434,193)
Unallocated depreciation *	453,581	-	-	-	(453,581)
Total Governmental Activities	\$ 25,371,969	\$ 1,206,150	\$ 820,659	\$ 39,304	(23,305,856)

General Revenues:

Property taxes levied for:	
General purposes	10,397,816
Debt service	3,176,364
Capital outlay	624,011
Grants and entitlements not restricted to specific programs	8,035,944
Investment earnings	705,577
Miscellaneous	1,710,320

Total General Revenues 24,650,032

Changes in net assets 1,344,176

Net assets at beginning of year 6,085,956

Net assets at end of year \$ 7,430,132

* - This amount excludes the depreciation that is included in the direct expense of the various functions.

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	General Fund	Debt Service	Permanent Improvement	Building Fund	Non-major Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 164,499	\$ 1,286,519	\$ 678,126	\$ 25,681,704	\$ 364,022
Cash and Cash Equivalents:					
With Fiscal Agent	-	-	-	-	7,628
Receivables:					
Taxes	11,153,049	3,344,358	619,229	-	-
Accounts	28,891	-	-	-	-
Intergovernmental	35,412	-	-	-	2,373
Interfund	545	-	-	-	-
Accrued Interest	-	-	-	72,926	-
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	-	-	-	150,144	-
Total Assets	<u>\$ 11,382,396</u>	<u>\$ 4,630,877</u>	<u>\$ 1,297,355</u>	<u>\$ 25,904,774</u>	<u>\$ 374,023</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 45,455	\$ -	\$ 23,249	\$ 220	\$ 380
Accrued Wages and Benefits	1,868,525	-	-	-	25,789
Intergovernmental Payable	371,211	-	-	-	-
Interfund Payable	-	-	-	-	545
Deferred Revenue	10,252,511	3,041,249	560,394	72,926	-
Payable from Restricted Assets:					
Retainage Payable	-	-	-	150,144	-
Total Liabilities	<u>12,537,702</u>	<u>3,041,249</u>	<u>583,643</u>	<u>223,290</u>	<u>26,714</u>
<u>Fund Balances:</u>					
<u>Reserved for:</u>					
Encumbrances	72,011	-	237,134	21,315,372	76,835
Property Taxes	935,950	303,109	58,835	-	-
<u>Unreserved, Undesignated:</u>					
General Fund	(2,163,267)	-	-	-	-
Special Revenue Funds	-	-	-	-	262,846
Debt Service Fund	-	1,286,519	-	-	-
Capital Projects Funds	-	-	417,743	4,366,112	7,628
Total Fund Balances	<u>(1,155,306)</u>	<u>1,589,628</u>	<u>713,712</u>	<u>25,681,484</u>	<u>347,309</u>
Total Liabilities and Fund Balances	<u>\$ 11,382,396</u>	<u>\$ 4,630,877</u>	<u>\$ 1,297,355</u>	<u>\$ 25,904,774</u>	<u>\$ 374,023</u>

See accompanying notes to the basic financial statements.

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES

<p style="text-align: center;">Total Governmental Funds</p> <hr/> <p>\$ 28,174,870</p> <p style="padding-left: 20px;">7,628</p> <p style="padding-left: 20px;">15,116,636</p> <p style="padding-left: 20px;">28,891</p> <p style="padding-left: 20px;">37,785</p> <p style="padding-left: 20px;">545</p> <p style="padding-left: 20px;">72,926</p> <hr/> <p style="padding-left: 20px;">150,144</p> <hr/> <p>\$ 43,589,425</p> <hr/> <p>\$ 69,304</p> <p style="padding-left: 20px;">1,894,314</p> <p style="padding-left: 20px;">371,211</p> <p style="padding-left: 20px;">545</p> <p style="padding-left: 20px;">13,927,080</p> <hr/> <p style="padding-left: 20px;">150,144</p> <hr/> <p style="padding-left: 20px;">16,412,598</p> <hr/> <p>21,701,352</p> <p style="padding-left: 20px;">1,297,894</p> <p style="padding-left: 20px;">(2,163,267)</p> <p style="padding-left: 20px;">262,846</p> <p style="padding-left: 20px;">1,286,519</p> <p style="padding-left: 20px;">4,791,483</p> <hr/> <p style="padding-left: 20px;">27,176,827</p> <hr/> <p>\$ 43,589,425</p> <hr/>	<p>Total Governmental Fund Balances: \$ 27,176,827</p> <p><i>Amounts reported for governmental activities in the</i></p> <p><i>statement of net assets are different because:</i></p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 32,666,341</p> <p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 216,592</p> <p>Bond issuance costs associated with general obligation bonds payable are recorded as a deferred charge on the accrual basis but are not reported in the funds 609,830</p> <p>Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 40px;">G.O. bonds</td> <td style="text-align: right;">(49,685,613)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Accrued interest payable</td> <td style="text-align: right;">(196,450)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Deferred premium on bond issuance</td> <td style="text-align: right;">(1,337,113)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Deferred amount on refunding</td> <td style="text-align: right;">251,947</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Intergovernmental payable</td> <td style="text-align: right;">(143,097)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Compensated absences</td> <td style="text-align: right;">(1,116,229)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Energy conservation bonds</td> <td style="text-align: right;">(75,500)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Capital leases</td> <td style="text-align: right;">(937,403)</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">(53,239,458)</td> <td style="text-align: right; border-top: 1px solid black;">(53,239,458)</td> </tr> </table> <p>Net Assets of Governmental Activities \$ 7,430,132</p> <hr/>	G.O. bonds	(49,685,613)		Accrued interest payable	(196,450)		Deferred premium on bond issuance	(1,337,113)		Deferred amount on refunding	251,947		Intergovernmental payable	(143,097)		Compensated absences	(1,116,229)		Energy conservation bonds	(75,500)		Capital leases	(937,403)		Total	(53,239,458)	(53,239,458)	
G.O. bonds	(49,685,613)																												
Accrued interest payable	(196,450)																												
Deferred premium on bond issuance	(1,337,113)																												
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Total	(53,239,458)	(53,239,458)																											

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	General Fund	Debt Service	Permanent Improvement	Building Fund	Non-major Governmental Funds
Revenues:					
Taxes	\$ 10,364,981	\$ 3,166,818	\$ 622,201	\$ -	\$ -
Intergovernmental	7,591,988	267,745	190,735	-	845,439
Student Sales	-	-	-	-	461,621
Interest	644,723	-	-	(13,029)	957
Tuition and Fees	246,642	-	-	-	69,555
Extracurricular Activities	-	-	-	-	428,332
Miscellaneous	879,202	-	700,000	-	104,629
Total Revenues	19,727,536	3,434,563	1,512,936	(13,029)	1,910,533
Expenditures:					
Current:					
Instruction:					
Regular	9,302,292	-	212,130	-	59,002
Special	1,306,646	-	-	-	284,252
Support Services:					
Pupils	1,018,539	-	-	-	34,176
Instructional Staff	1,436,739	-	40,866	-	440,906
Board of Education	75,315	-	-	-	-
Administration	1,676,813	-	18,000	9,677	-
Fiscal	496,234	44,142	9,447	-	-
Business	98,728	-	-	-	-
Plant Operation and Maintenance	1,858,833	-	14,803	-	2,902
Pupil Transportation	1,396,603	-	196,193	-	694
Central	85,132	-	-	-	-
Non-Instructional Services	3,144	-	-	-	694,488
Extracurricular Activities	539,966	-	49,847	-	389,877
Capital Outlay	-	-	376,645	15,117,246	-
Debt Service:					
Principal Retirement	36,000	600,000	272,959	-	-
Interest and Fiscal Charges	-	2,250,821	46,798	-	-
Total Expenditures	19,330,984	2,894,963	1,237,688	15,126,923	1,906,297
Excess of Revenues Over(Under) Expenditures	396,552	539,600	275,248	(15,139,952)	4,236
Other Financing Sources (Uses):					
Inception of Capital Lease	-	-	376,645	-	-
Proceeds from Sale of Capital Assets	26,489	-	-	-	-
Transfers-In	-	-	338,756	-	40,000
Transfers-Out	(378,756)	-	-	-	-
Total Other Financing Sources (Uses)	(352,267)	-	715,401	-	40,000
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	44,285	539,600	990,649	(15,139,952)	44,236
Fund Balance at Beginning of Year	(1,199,591)	1,050,028	(276,937)	40,821,436	303,073
Fund Balance at End of Year	\$ (1,155,306)	\$ 1,589,628	\$ 713,712	\$ 25,681,484	\$ 347,309

See accompanying notes to the basic financial statements.

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 9,950,000	\$ 10,135,000	\$ 10,137,526	\$ 2,526
Intergovernmental	7,526,291	8,130,814	7,591,988	(538,826)
Interest	568,500	568,500	644,723	76,223
Tuition and Fees	219,500	219,500	255,227	35,727
Miscellaneous	700,000	701,186	876,141	174,955
Total Revenues	18,964,291	19,755,000	19,505,605	(249,395)
Expenditures:				
Current:				
Instruction:				
Regular	9,038,058	9,352,753	9,211,971	140,782
Special	1,349,650	1,299,750	1,306,930	(7,180)
Support Services:				
Pupils	992,560	1,006,460	1,006,133	327
Instructional Staff	1,521,085	1,481,885	1,488,123	(6,238)
Board of Education	49,300	75,250	75,171	79
Administration	1,591,405	1,637,205	1,642,523	(5,318)
Fiscal	689,683	523,983	522,744	1,239
Business	108,800	102,000	104,986	(2,986)
Plant Operation and Maintenance	1,803,710	1,857,810	1,885,880	(28,070)
Pupil Transportation	1,438,100	1,350,300	1,385,558	(35,258)
Central	138,750	91,000	92,045	(1,045)
Non-Instructional Services	14,500	5,100	4,481	619
Extracurricular Activities	478,000	531,500	528,146	3,354
Debt Service:				
Principal Retirement	330,000	36,000	36,000	-
Interest and Fiscal Charges	83,504	4	-	4
Total Expenditures	19,627,105	19,351,000	19,290,691	60,309
Excess of Revenues Over(Under) Expenditures	(662,814)	404,000	214,914	(189,086)
Other Financing Sources (Uses):				
Proceeds from Sale of Debt	330,000	330,000	330,000	-
Proceeds from Sale of Capital Assets	-	-	26,489	26,489
Refund of Prior Year Expenditures	-	-	3,487	3,487
Transfers-Out	(30,000)	(734,000)	(708,756)	25,244
Total Other Financing Sources (Uses)	300,000	(404,000)	(348,780)	55,220
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(362,814)	-	(133,866)	(133,866)
Fund Balance at Beginning of Year	93,293	93,293	93,293	-
Prior Year Encumbrances Appropriated	110,783	110,783	110,783	-
Fund Balance at End of Year	\$ (158,738)	\$ 204,076	\$ 70,210	\$ (133,866)

See accompanying notes to the basic financial statements.

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005

	Private Purpose Trust	Agency Funds
Assets:		
Equity in pooled cash and cash equivalents	\$ 148	\$ 88,012
Cash and Cash Equivalents:		
With Fiscal Agent	139,187	-
Total Assets	139,335	88,012
Liabilities:		
Due to students	-	88,012
Total Liabilities	-	\$ 88,012
Net Assets:		
Held in trust for scholarships	139,335	
Total Net Assets	\$ 139,335	

See accompanying notes to the basic financial statements.

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST
JUNE 30, 2005

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Donations	\$ 1,945
Investment Earnings	<u>16,018</u>
Total Additions	<u>17,963</u>
Deductions:	
Payments in accordance with trust agreements	<u>15,362</u>
Total Deductions	<u>15,362</u>
Change in Net Assets	2,601
Net Assets Beginning of Year	<u>136,734</u>
Net Assets End of Year	<u><u>\$ 139,335</u></u>

See accompanying notes to the basic financial statements.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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 286 employees who provide services to 2,776 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, not legally separate from the School District, 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 17 to the basic financial statements

NOTE 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 government-wide financial statements provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

A. Basis Of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities.

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

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid 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. The various funds of the School District are grouped into the categories governmental and fiduciary.

Governmental Funds

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the repayment of, the School District’s general obligation debt, including the school improvement bonds previously approved by voters within the School District’s boundaries.

Permanent Improvement Fund – The Permanent Improvement Fund is used to account for financial resources, specifically property and other local taxes generated by the District’s permanent improvement levy, to be used to maintain the School District’s facilities, as well as provide for major equipment and instructional material purchases.

Building Fund – The Building Fund is being used to account for all transactions related to the construction of the new middle school building. To provide financing for this project, the School District issued bond, the proceeds of which (except for premium and accrued interest) were paid into this fund.

The other governmental funds of the School District account for grants and other resources, and capital projects of the School District whose uses are restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District’s own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for the activity of the numerous student managed activities within the School District are classified as agency funds.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or 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 fiscal 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 include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed to be both measurable and available: property taxes available as an advance, grants, investment earnings, tuition, and student fees.

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, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by the employee. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

The accrual basis of accounting utilized on the government-wide financial statements and by private purpose trust funds recognizes revenues when they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year is reported as an expense with a like amount reported as donated commodities revenue.

E. Budget Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the School District. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2005.

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

F. Cash, Cash Equivalents, and Investments

The School District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund's portion of this pool is displayed in the financial statements as pooled cash and cash equivalents. The monies are either maintained in a central bank account or used to purchase legal investments.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

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. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The Ohio Revised Code authorizes the School District to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificate of deposits; banker's acceptances; commercial paper notes rated prime and issued by United States Corporations; and STAROhio.

The School District has allocated interest according to Ohio statutes. Interest revenue credited to the General Fund during fiscal year 2005 amounted to \$644,723, which includes the General Fund's allocation as well as the allocations of all funds not specified in the Board's resolution. Interest was also recorded in the Building Fund totaling (\$13,029) and also in non-major governmental funds and private purpose trust funds in the amounts of \$957 and \$16,018, respectively.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America 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.

H. Capital Assets and Depreciation

General capital assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net assets but are not reported in the fund statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The School District's capitalization threshold was \$2,500 for fiscal year 2005. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	50-20 years
Equipment	5-20 years
Vehicles	8-13 years

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

I. Interfund Activity

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

J. 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 and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated sick leave for all employees after ten years of current service with the School District.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental fund statements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

L. Net Assets

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

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

M. Reservations and Designations of Fund Balance

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 and property taxes.

NOTE 3 - ACCOUNTABILITY

The following funds have fund equity deficits as of June 30, 2005:

	<u>Deficit Equity</u>
General Fund	\$ 1,155,306
<u>Special Revenue Funds:</u>	
School Net Prof. Dev.	80
Summer Intervention Grant	71
Title I	13,196
Title VI	540

The deficits in these funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2006. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – General Fund is 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 as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

	<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>	
GAAP Basis		\$ 44,285
Revenue Accruals		(218,444)
Expenditure Accruals		134,586
Note Proceeds		330,000
Transfers		(330,000)
Encumbrances		<u>(94,293)</u>
Budget Basis		<u>\$(133,866)</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

Active Monies – Those monies required to be kept in a “cash” or “near-cash” status for the immediate use of the district. Such monies must be maintained either as cash in the treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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 certificate of deposit maturing no 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.

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. Ohio law permits interim monies to be invested in legal securities.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the School District’s deposits may not be returned to it. Protection of the School District’s deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. By Ohio law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds on deposit with that specific institution. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

At year end, the carrying amount of the School District's deposits was \$1,128,405 and the bank balance was \$3,408,535. Of the bank balance, \$400,000 was covered by federal depository insurance and \$3,008,535 was uninsured. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments

Investments are reported at fair value. As of June 30, 2005, the School District had the following investments:

	Fair Value	Percent of Total Portfolio	Credit Rating	Weighted Average Maturity
Federal Home Loan Bank	\$ 15,028,310	54.78%	AAA	0.45 years
Fannie Mae	5,751,407	20.97%	AAA	0.10 years
Freddie Mac	6,642,600	24.22%	AAA	0.16 years
Money Market Mutual Funds	9,267	0.03%	Not Rated	N/A
Total Investments	<u>\$ 27,431,584</u>	<u>100.00%</u>		
Portfolio Weighted Average Maturity				1.26 years

The School District's investment policy permits the purchase of any security specifically authorized by the Ohio Revised Code and includes the following:

Interest Rate Risk – The School District shall not purchase any security that has a remaining term to final maturity of more than five years.

Concentration of Credit Risk – The School District should normally seek to diversify its holdings of other investments by avoiding concentrations of specific issuers.

Interest Rate Risk:

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The investments policy states that the district will mitigate interest rate risk by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
- By investing operating funds primarily in short-term securities.

Credit Risk:

The district has an investment policy that places limitations on the types of investments that the District is allowed to invest in. The District investment policy addresses credit risk and states that the district will mitigate credit risk by:

- Limiting investment to the safest types of securities. The School District shall invest only in securities where there is certainty of receiving full par value plus accrued interest, at the securities' legal final maturity.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which an entity will do business; and

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The District's investments at June 30, 2005 in FHLB, FNMA, and FHLMC are rated AAA by Standard & Poor's. The District's money market account is unrated.

Concentration of Credit Risk:

The District places no limit on the amount the district may invest in any one issuer; however their investment policy does stress diversification to limit potential losses. As of June 30, 2005, the district investments include FHLB, FNMA, and FHLMC securities which are 54.08 percent, 20.72 percent, and 23.93 percent, respectively of the total investments.

NOTE 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, 2005 was \$73.25 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2005 taxes were collected are as follows:

	<u>2005 First Half Collections</u>	<u>2004 Second Half Collections</u>
Agricultural/residential		
And other real estate	\$ 394,071,960	\$ 379,227,120
Public utility personal	13,430,790	14,549,950
Tangible personal property	<u>11,236,327</u>	<u>9,096,142</u>
Total	<u>\$ 418,739,077</u>	<u>\$ 402,873,212</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2005. 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. For the governmental fund financial statements, 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, 2005 was recognized as revenue.

The amount available as an advance at June 30 was \$935,950 in the General Fund, \$303,109 in the Bond Retirement Debt Service Fund and \$58,835 in the Permanent Improvement Capital Projects Fund. These amounts have been set aside as a reserve of fund balance.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2005, consisted of current and delinquent property taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. At June 30, 2005 the only intergovernmental receivables recorded in the Food Service special revenue fund in the amount of \$565 for school lunches provided in May 2005 which qualify for federal and state reimbursement.

NOTE 8 – CAPITAL ASSETS

Capital activity for the fiscal year ended June 30, 2005, was as follows:

	Balance 6/30/04	Additions	Deductions	Balance 6/30/05
<u>Capital Assets, not being depreciated</u>				
Land	\$ 3,432,055	\$ -	\$ -	\$ 3,432,055
Construction in Progress	1,707,528	14,966,882	-	16,674,410
Total Non-depreciable Capital Assets	<u>5,139,583</u>	<u>14,966,882</u>	<u>-</u>	<u>20,106,465</u>
<u>Capital Assets, being depreciated</u>				
Land Improvements	1,284,705	-	-	1,284,705
Buildings and Improvements	16,881,064	-	-	16,881,064
Furniture and Equipment	2,382,539	88,432	(10,101)	2,460,870
Vehicles	2,505,563	185,491	(67,702)	2,623,352
	<u>23,053,871</u>	<u>273,923</u>	<u>(77,803)</u>	<u>23,249,991</u>
<u>Less: Accumulated Depreciation</u>				
Land Improvements	(694,451)	(45,385)	-	(739,836)
Buildings and Improvements	(6,156,085)	(459,581)	-	(6,615,666)
Furniture and Equipment	(1,596,722)	(127,502)	10,101	(1,714,123)
Vehicles	(1,550,134)	(138,058)	67,702	(1,620,490)
	<u>(9,997,392)</u>	<u>(770,526) *</u>	<u>77,803</u>	<u>(10,690,115)</u>
Depreciable Capital Assets, Net	<u>13,056,479</u>	<u>(496,603)</u>	<u>-</u>	<u>12,559,876</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 18,196,062</u>	<u>\$ 14,470,279</u>	<u>\$ -</u>	<u>\$ 32,666,341</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

* - Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	62,105
Support Services:		
Instructional Support		15,031
Administration		12,608
Operation and Maintenance of Plant		17,568
Pupil Transportation		153,686
Operation of Non-Instructional Services		14,762
Extracurricular Activities		41,185
		<hr/>
		316,945
Unallocated Depreciation		453,581
Total Depreciation Expense	\$	<hr/> <hr/> 770,526

Unallocated depreciation is depreciation of the individual school buildings throughout the District which essentially serve all functions/programs, and therefore is not included as a direct expense of any function or program but disclosed as a separate expense.

NOTE 9 - 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 2005 the School District contracted with Selective Insurance Company for building and business property insurance. This policy has a limit of insurance in the amount of \$250 million for property and a \$1,000 deductible. Boiler and Crime are included in the policy. Fleet insurance has a \$1 million limit of liability. General liability insurance is under Selective of South Carolina Insurance Company and has a \$1 million per occurrence and \$3 million 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. There has not been a significant reduction in coverage from the prior year.

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.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$413,105, \$432,198 and \$364,198 respectively; 100 percent has been contributed for fiscal year 2005, 2004 and 2003.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

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

For the fiscal year ended June 30, 2004, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,255,573, \$1,257,052, and \$1,151,843 respectively; 100 percent has been contributed for fiscal year 2005, 2004 and 2003. Contributions to the DC and combined plans for fiscal year 2005 were \$12,267 for the School District and \$29,476 made by plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the SERS/STRS. As of June 30, 2005, one member of the Board of Education has elected social security. The School District's liability is 6.2 percent of wages paid.

NOTE 11 – 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, 2004, the Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.1 billion on June 30, 2004. For the School District, this amount equaled \$95,911 during the 2005 fiscal year.

For the year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268,739,000. There were 111,853 eligible benefit recipients.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

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. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50 percent for those who apply.

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, 2005, the allocation rate is 4.91 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 2005, the minimum pay has been established at \$25,400. For the School, the amount to fund health care benefits, including the surcharge, was \$134,111 for fiscal year 2005.

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. Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2004, were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, the Retirement System's net assets available for payment of health care benefits of \$300.8 million. The number of benefit recipients currently receiving health care benefits is approximately 62,000.

NOTE 12 – 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 \$72,407 at June 30, 2005.

Accumulated Unpaid Sick Leave

District employees may accumulate sick leave. 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, 2005 was \$1,018,528.

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 \$25,294 at June 30, 2005.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

NOTE 13 - LONG-TERM OBLIGATIONS

Activity of the School District's long-term obligations at June 30, 2005 was as follows:

	Balance June 30, 2004	Increase	Decrease	Balance June 30, 2005	Due within One Year
General Obligation Bonds:					
1994 School Construction:					
Current Interest 2.45-5.15%	\$ 480,000	\$ -	\$480,000	\$ -	\$ -
Capital Appreciation 5-5.3%	1,627,405	118,486	-	1,745,891	500,000
2003 Multi-purpose Bonds					
Current Interest 2-5.15%	47,350,000	-	120,000	47,230,000	690,000
Capital Appreciation 4.13-4.23%	664,621	45,101	-	709,722	-
Deferred Amounts:					
Bond Premium	1,395,335	-	58,222	1,337,113	-
Deferred Amount on Refunding	(275,942)	-	(23,995)	(251,947)	-
Total General Obligation Bonds	51,241,419	163,587	634,227	50,770,779	1,190,000
Energy Conservation Loan Payable	151,000	-	75,500	75,500	75,500
Compensated Absences	1,023,869	92,360	-	1,116,229	25,000
Capital Lease Obligation	794,217	376,645	233,459	937,403	178,817
Intergovernmental Payable	114,233	143,097	114,233	143,097	143,097
Total General Long-Term Obligations	\$53,324,738	\$775,689	\$1,057,419	\$53,043,008	\$1,612,414

General Obligation Bonds

The School District's general obligation bond issues will be paid through the debt service fund from property taxes collected by the County Auditor. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The District issued general obligation debt for the following purposes:

- In 2003, nearly \$48 million of general obligation bonds was issued to 1) provide \$43,985,000 for the construction of a new middle school building and 2) advance refund \$4,005,000 of general obligation bonds issued in 1994. These bonds include current interest bonds and capital appreciation bonds. The capital appreciation bonds will mature in fiscal years 2013 and 2014. The maturity amount of the capital appreciation bonds is \$1.2 million. For fiscal year 2005, \$45,101 was accreted for a total bond value of \$709,722.
- Approximately \$10 million issued in fiscal year 1994 and maturing in fiscal year 2016, for the construction of a high school building. 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 2005, \$118,486 was accreted for a total bond value of \$1,745,891.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

Principal and interest requirements to retire the District's long-term general obligation bonds outstanding at June 30, 2005 are as follows:

Fiscal Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 1,208,318	\$ 2,248,253	\$ 3,456,571
2007	1,409,526	2,263,239	3,672,765
2008	1,486,649	2,279,943	3,766,592
2009	1,591,398	2,237,215	3,828,613
2010	1,975,000	2,112,116	4,087,116
2011-15	4,969,722	10,460,581	15,430,303
2016-20	5,915,000	8,739,010	14,654,010
2021-25	9,070,000	6,899,938	15,969,938
2026-30	14,410,000	3,868,531	18,278,531
2031-32	<u>7,650,000</u>	<u>390,000</u>	<u>8,040,000</u>
Total	<u>\$ 49,685,613</u>	<u>\$ 41,498,826</u>	<u>\$ 91,184,439</u>

Advance Refunding

The School District issued \$4,005,000 of general obligation bonds to provide resources to purchase U.S. Government securities that were placed, along with premiums received associated with the sale of the bonds, in an irrevocable trust for the purpose of generating resources for future debt service payments of \$4,005,000 of the 1994 School Construction general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability associated with these bonds has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$291,939. This amount is being netted against the new net and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next twelve years by \$151,122 and resulted in an economic gain of \$27,274.

Energy Conservation Loan Payable

During fiscal year 1996, the School District issued \$775,000 in bonds to provide funds for energy conservation improvements. Savings realized in the general fund operations due to the energy conservation measures will be used for the retirement of these obligations. Interest is payable in semi-annual installments at a rate of 5.95% a year through fiscal year 2006.

Principal and interest requirements to retire the long-term energy conservation bonds outstanding at June 30, 2005 are as follows:

Fiscal Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	<u>75,500</u>	<u>4,002</u>	<u>79,502</u>
Total	<u>\$ 75,000</u>	<u>\$ 4,002</u>	<u>\$ 79,502</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

Other Long-Term Obligations

The intergovernmental payable represents the long-term portion of the pension obligation payable to the School Employees Retirement System. Compensated absences represent the long-term portion of the accrued liability associated with sick and vacation leave. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available. The capital lease obligations are being repaid with revenues from the permanent improvement capital project fund.

Debt Limitations

The School District's voted legal debt margin, as determined under Ohio Revised Code Section 133.06(B), was \$7.4 million and the unvoted debt margin was \$402,873 at June 30, 2005.

NOTE 14 – SHORT-TERM OBLIGATION

The following is a summary of the note activity for the District at June 30, 2005:

	Balance 6/30/04	Increase	Decrease	Balance 6/30/05
2004 Bus Facility Note	330,000	-	330,000	-
2005 Bus Facility Note	-	330,000	330,000	-
Total	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 660,000</u>	<u>\$ -</u>

The bus facility notes were originally issued in fiscal year 2002 to finance the purchase of a new transportation facility and have subsequently been rolled over. These notes are recorded in the Permanent Improvement capital projects fund. In fiscal year 2005 the district issued bus facility notes that were paid off by fiscal year end.

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2005, the School District entered into capitalized leases for the purchase of various pieces of computer equipment. These 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. These lease agreements are reported in the permanent improvement fund as other financing sources, inception of capital leases, as well as a like amount for capital outlay expenditures. Capital lease payments will be reflected as debt service expenditures in the basic financial statements for the governmental funds.

In addition to the leases entered into during fiscal year 2005, the School District has acquired a bus facility and certain real estate through a capital leases in prior years. The capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$1,379,902 (\$286,618 of land, \$716,639 of buildings, and \$376,645 of equipment), which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was split between long-term liabilities due within a year and long-term liabilities due within more than one year on the statement of net assets for governmental activities. Principal payments in fiscal year 2005 totaled \$233,459.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2005.

Fiscal Year Ending June 30,	General Long- Term Debt
2006	\$ 205,010
2007	205,011
2008	190,892
2009	174,603
2010	101,932
2011 - 2012	<u>192,766</u>
Total Minimum Lease Payments	1,070,214
Less: Amount Representing Interest	<u>(132,811)</u>
Present Value of Minimum Lease Payments	<u>\$ 937,403</u>

NOTE 16 - INTERFUND ACTIVITY

During fiscal year 2003, the School District provided temporary operating cash to the Title VI grant special revenue fund in the amount of \$ 545, and was recorded as an interfund receivable in the General Fund. These funds were anticipated to be repaid once grant receipts are received in fiscal year 2004 however no such grant receipts were received as of June 30, 2005. Management will review the status of this transaction during fiscal year 2006 to determine if the funds will be received to repay the General Fund or if the advance of funds should be made permanent.

In addition, the School District transferred funds for various purposes. A schedule of these transfers is presented below.

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund:	Bond Retirement Fund	\$ 338,756
	Food Service Fund	<u>40,000</u>
	Total Transfers Out/In	<u>\$ 378,756</u>

The transfer from the General Fund to the Food Service Fund was to provide operating resources for the operation of the program. The transfer from the General Fund to the Bond Retirement Fund was to account for the payment of interest related to short-term debt recorded in the Bond Retirement Fund.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

NOTE 17 – 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 \$73,791 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.

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.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

NOTE 18 - CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 at June 30, 2005.

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.

NOTE 19 - STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

The School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

NOTE 20 - SET-ASIDE CALCULATIONS AND FUND RESERVES

The School District is required by State statute to annually set aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. Amounts not spent by year-end or reduced by offsetting credits must be held in cash at year-end and carried forward to be used for the same purpose in future years. Excess of offsets and qualifying disbursements over the set-aside requirement during the year for textbooks and other instructional materials may carry forward to the next year to reduce the set-aside requirement of future years.

	<u>Textbooks</u>	<u>Capital Spending</u>	<u>Totals</u>
Set-aside Reserve Balance as of June 30, 2004	\$ (947,565)	\$ -	\$ (947,565)
Current Year Set-aside Requirement	373,485	373,485	746,970
Qualifying Disbursements	(556,175)	(12,889,029)	(13,445,204)
Total	<u>\$ (1,130,255)</u>	<u>\$ (12,515,544)</u>	<u>\$(13,645,799)</u>
Balance Carried forward to FY 2006	<u>\$ (1,130,255)</u>	<u>\$ (12,515,544)</u>	

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

The School District had qualifying disbursements during the year that reduced the set-aside below zero for capital acquisition. The extra amounts may be used to reduce the set-aside requirements of future years because actual capital expenditures in excess of current or accumulated set-aside requirements from bond proceeds in the capital and maintenance reserve may be carried forward to offset future years' capital improvements and maintenance reserve set-aside requirements.

NOTE 21 – CONSTRUCTION COMMITMENTS

At June 30, 2005 the School District had the following significant outstanding construction commitments:

Active Electric	\$ 1,632,053
Booher Blacktop	227,924
Capital Equipment Co.	489,113
Cotterman & Co.	868,685
Fanning/Howey Associates, Inc.	2,148,343
Farnham Company	221,000
Ferguson Company	6,120,720
GM Mechanical	2,602,894
John R. Jurgensen Co.	390,000
Ohio Plumbing and Heating	494,336
Performance Construction	2,772,415
RF Scurlock	1,063,133
Wagner Paving, Inc.	<u>212,611</u>
Total	\$ <u>19,243,227</u>

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Major Governmental Funds

The focus of the fund financial statements presented in the basic financial statements is on the School District most significant funds (major funds). Therefore these fund financial statements present the major funds separate from the other governmental funds of the School District. As required by Generally Accepted Accounting Principles for state and local governments, budgetary comparison statements in the basic financial statements are limited to the General Fund and any major special revenue funds. The School District has no major special revenue funds.

General Fund

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

Since the Statement of Revenues, Expenditures and Changes in Fund Balance presented in the basic financial statements for the General Fund presents budgetary comparisons at a greater level of detail than the legal level of control established by the Board of Education, no additional schedules are necessary to demonstrate budgetary compliance.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the repayment of, the School District's general obligation debt, including the school improvement bonds previously approved by voters within the School District's boundaries.

Permanent Improvement Fund

The Permanent Improvement Fund is used to account for financial resources, specifically property and other local taxes generated by the School District's permanent improvement levy, to be used to maintain the School District's facilities, as well as provide for major equipment and instructional material purchases.

Building Fund

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

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 2,852,991	\$ 3,113,874	\$ 3,106,502	\$ (7,372.00)
Intergovernmental	224,000	224,000	267,745	43,745
Total Revenues	3,076,991	3,337,874	3,374,247	36,373
Expenditures:				
Current:				
Support Services:				
Fiscal	30,350	44,140	44,140	-
Debt Service:				
Principal Retirement	1,260,000	1,260,000	1,260,000	-
Interest and Fiscal Charges	1,926,761	2,265,800	2,259,577	6,223
Total Expenditures	3,217,111	3,569,940	3,563,717	6,223
Excess of Revenues Over(Under) Expenditures	(140,120)	(232,066)	(189,470)	42,596
Other Financing Sources (Uses):				
Transfers-In	1,500,000	696,380	668,756	(27,624)
Total Other Financing Sources (Uses)	1,500,000	696,380	668,756	(27,624)
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	1,359,880	464,314	479,286	14,972
Fund Balance at Beginning of Year	807,233	807,233	807,233	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance at End of Year	\$ 2,167,113	\$ 1,271,547	\$ 1,286,519	\$ 14,972

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PERMANENT IMPROVEMENT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 575,000	\$ 575,000	\$ 610,634	\$ 35,634
Intergovernmental	110,000	110,000	190,735	80,735
Miscellaneous	-	440,000	700,000	260,000
Total Revenues	685,000	1,125,000	1,501,369	376,369
Expenditures:				
Current:				
Instruction:				
Regular	64,557	442,436	442,265	171
Support Services:				
Instructional Staff	-	63,500	58,606	4,894
Administration	16,000	18,000	18,000	-
Fiscal	10,000	10,000	9,447	553
Plant Operation and Maintenance	35,000	35,000	14,803	20,197
Pupil Transportation	135,000	210,349	196,193	14,156
Extracurricular Activities	-	51,400	57,977	(6,577)
Capital Outlay	149,377	294,315	293,263	1,052
Total Expenditures	409,934	1,125,000	1,090,554	34,446
Excess of Revenues Over(Under) Expenditures	275,066	-	410,815	410,815
Fund Balance at Beginning of Year	(166)	(166)	(166)	-
Prior Year Encumbrances Appropriated	7,094	7,094	7,094	-
Fund Balance at End of Year	\$ 281,994	\$ 6,928	\$ 417,743	\$ 410,815

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUILDING FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	83	83	794	711
Total Revenues	\$ 83	\$ 83	\$ 794	\$ 711
Expenditures:				
Current:				
Support Services:				
Administration	12,400	12,400	10,293	2,107
Capital Outlay	33,400,745	36,487,600	36,282,474	205,126
Total Expenditures	33,413,145	36,500,000	36,292,767	207,233
Excess of Revenues Over(Under) Expenditures	(33,413,062)	(36,499,917)	(36,291,973)	207,944
Fund Balance at Beginning of Year	33,413,146	33,413,146	33,413,146	-
Prior Year Encumbrances Appropriated	7,408,908	7,408,908	7,408,908	-
Fund Balance at End of Year	<u>\$ 7,408,992</u>	<u>\$ 4,322,137</u>	<u>\$ 4,530,081</u>	<u>\$ 207,944</u>

Nonmajor Governmental Funds

Nonmajor 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.

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.

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.

Ohio Reads Grant

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

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 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.

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (Continued)

Title III Grant

To account for monies received under a federal grant to assist schools in meeting the special needs of immigrant students.

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.

Preschool Grant

To account for monies received under a federal grant program to assist in providing full education opportunities to handicapped children at the preschool level.

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.

Food Service Fund

To account for the financial transactions related to the food service operation of the School District.

Nonmajor Governmental Funds

Nonmajor Capital Project 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

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
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	Special Revenue Funds		
	Public School Support	Foundation Grants	District Managed Student Activities
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 102,507	\$ 416	\$ 248,651
Cash and Cash Equivalents with Fiscal Agent	-	-	-
Intergovernmental Receivable	-	-	-
Total Assets	\$ 102,507	\$ 416	\$ 248,651
<u>Liabilities and Fund Balance:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-
Interfund Payable	-	-	-
Total Liabilities	-	-	-
<u>Fund Balance:</u>			
Reserved for Encumbrances	6,022	-	70,663
Unreserved, Undesignated	96,485	416	177,988
Total Fund Balance	102,507	416	248,651
Total Liabilities and Fund Balance	\$ 102,507	\$ 416	\$ 248,651

Special Revenue Funds

Management Information Systems	Data Communications	School Net Professional Development	Ohio Reads Grant	Summer Intervention Grant	Safe School Helpline
\$ -	\$ -	\$ 300	\$ -	\$ 7,661	\$ 56
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 7,661</u>	<u>\$ 56</u>
\$ -	\$ -	\$ 380	\$ -	\$ -	\$ -
-	-	-	-	7,732	-
-	-	-	-	-	-
-	-	380	-	7,732	-
-	-	-	-	-	-
-	-	(80)	-	(71)	56
-	-	(80)	-	(71)	56
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 7,661</u>	<u>\$ 56</u>

(Continued)

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005
(Continued)

	Special Revenue Funds		
	Title VI-B Grant	Title III Grant	Title I Grant
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ 3,053
Cash and Cash Equivalents with Fiscal Agent	-	-	-
Intergovernmental Receivable	-	-	1,808
	-	-	1,808
Total Assets	\$ -	\$ -	\$ 4,861
<u>Liabilities and Fund Balance:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	18,057
Interfund Payable	-	-	-
	-	-	-
Total Liabilities	-	-	18,057
Fund Balance:			
Reserved for Encumbrances	-	-	-
Unreserved, Undesignated	-	-	(13,196)
	-	-	(13,196)
Total Fund Balance	-	\$ -	(13,196)
Total Liabilities and Fund Balance	\$ -	\$ -	\$ 4,861

Special Revenue Funds

Title VI Grant	Drug Free Schools Grant	Preschool Grant	Title VI-R Grant	School to Work Grant	Miscellaneous Federal Grants
\$ 5	\$ -	\$ -	\$ 150	\$ 19	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 19</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
545	-	-	-	-	-
<u>545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	150	-	-
(540)	-	-	-	19	-
<u>(540)</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>19</u>	<u>-</u>
<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 19</u>	<u>\$ -</u>

(Continued)

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005
(Continued)

	Special Revenue Funds		School Net Plus
	Food Service	Total	
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,204	\$ 364,022	\$ -
Cash and Cash Equivalents with Fiscal Agent	-	-	-
Intergovernmental Receivable	565	2,373	-
Total Assets	\$ 1,769	\$ 366,395	\$ -
<u>Liabilities and Fund Balance:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ -	\$ 380	\$ -
Accrued Wages and Benefits	-	25,789	-
Interfund Payable	-	545	-
Total Liabilities	-	26,714	-
<u>Fund Balance:</u>			
Reserved for Encumbrances	-	76,835	-
Unreserved, Undesignated	1,769	262,846	-
Total Fund Balance	1,769	339,681	-
Total Liabilities and Fund Balance	\$ 1,769	\$ 366,395	\$ -

Capital Project Funds			Total Nonmajor Governmental Funds
Video Distance Learning	Community Gym Project	Total	
\$ -	\$ -	\$ -	\$ 364,022
-	7,628	7,628	7,628
-	-	-	2,373
<u>\$ -</u>	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>\$ 374,023</u>
\$ -	\$ -	\$ -	\$ 380
-	-	-	25,789
-	-	-	545
-	-	-	26,714
-	-	-	76,835
-	7,628	7,628	270,474
-	7,628	7,628	\$ 347,309
<u>\$ -</u>	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>\$ 374,023</u>

(Concluded)

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Special Revenue Funds		
	Public School Support	Foundation Grants	District Managed Student Activities
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Student Sales	5,829	-	6,168
Interest	-	-	-
Tuition and Fees	14,840	-	54,715
Extracurricular Activities	77,394	-	350,938
Miscellaneous	85,313	-	18,316
Total Revenues	<u>183,376</u>	<u>-</u>	<u>430,137</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	-	-
Special	-	-	-
Support Services:			
Pupils	25,605	-	-
Instructional Staff	17,478	-	-
Plant Operation and Maintenance	-	-	-
Pupil Transportation	-	-	-
Non-Instructional Services	129,161	-	-
Extracurricular Activities	-	-	389,877
Total Expenditures	<u>172,244</u>	<u>-</u>	<u>389,877</u>
Excess of Revenues Over(Under) Expenditures	11,132	-	40,260
Other Financing Sources:			
Transfers-In	-	-	-
Net Change in Fund Balances	11,132	-	40,260
Fund Balance at Beginning of Year	<u>91,375</u>	<u>416</u>	<u>208,391</u>
Fund Balance at End of Year	<u>\$ 102,507</u>	<u>\$ 416</u>	<u>\$ 248,651</u>

Special Revenue Funds

Management Information Systems	Data Communications	School Net Professional Development	Ohio Reads Grant	Summer Intervention Grant	Safe School Helpline
\$ 8,571	\$ 9,000	\$ 4,140	\$ 16,500	\$ 50,351	\$ 2,711
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,571</u>	<u>9,000</u>	<u>4,140</u>	<u>16,500</u>	<u>50,351</u>	<u>2,711</u>
-	-	-	8,880	-	-
-	-	-	-	52,433	-
8,571	-	-	-	-	-
-	9,009	5,457	7,620	-	-
-	-	-	-	-	2,902
-	-	-	-	694	-
-	-	-	-	-	-
<u>8,571</u>	<u>9,009</u>	<u>5,457</u>	<u>16,500</u>	<u>53,127</u>	<u>2,902</u>
-	(9)	(1,317)	-	(2,776)	(191)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(9)	(1,317)	-	(2,776)	(191)
-	9	1,237	-	2,705	247
<u>-</u>	<u>9</u>	<u>1,237</u>	<u>-</u>	<u>2,705</u>	<u>247</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80)</u>	<u>\$ -</u>	<u>\$ (71)</u>	<u>\$ 56</u>

(Continued)

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

	Special Revenue Funds		
	Title VI-B Grant	Title III Grant	Title I Grant
Revenues:			
Intergovernmental	\$ 449,397	\$ 6,596	\$ 105,593
Student Sales	-	-	-
Interest	-	-	-
Tuition and Fees	-	-	-
Extracurricular Activities	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>449,397</u>	<u>6,596</u>	<u>105,593</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	-	-
Special	114,397	-	102,660
Support Services:			
Pupils	-	-	-
Instructional Staff	335,000	6,596	-
Plant Operation and Maintenance	-	-	-
Pupil Transportation	-	-	-
Non-Instructional Services	-	-	-
Extracurricular Activities	-	-	-
Total Expenditures	<u>449,397</u>	<u>6,596</u>	<u>102,660</u>
Excess of Revenues Over(Under) Expenditures	-	-	2,933
Other Financing Sources:			
Transfers-In	-	-	-
Net Change in Fund Balances	-	-	2,933
Fund Balance at Beginning of Year	-	-	(16,129)
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,196)</u>

Special Revenue Funds

Title VI Grant	Drug Free Schools Grant	Preschool Grant	Title VI-R Grant	School to Work Grant	Miscellaneous Federal Grants
\$ 11,132	\$ 8,962	\$ 22,554	\$ 50,528	\$ 2,807	\$ 3,635
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,132</u>	<u>8,962</u>	<u>22,554</u>	<u>50,528</u>	<u>2,807</u>	<u>3,635</u>
-	-	22,554	-	2,788	-
11,127	-	-	-	-	3,635
-	-	-	-	-	-
-	8,962	-	50,749	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,127</u>	<u>8,962</u>	<u>22,554</u>	<u>50,749</u>	<u>2,788</u>	<u>3,635</u>
5	-	-	(221)	19	-
-	-	-	-	-	-
5	-	-	(221)	19	-
(545)	-	-	371	-	-
<u>\$ (540)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 19</u>	<u>\$ -</u>

(Continued)

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

	Special Revenue Funds		School Net Plus
	Food Service	Total	
Revenues:			
Intergovernmental	\$ 68,182	\$ 820,659	\$ 24,780
Student Sales	449,624	461,621	-
Interest	390	390	-
Tuition and Fees	-	69,555	-
Extracurricular Activities	-	428,332	-
Miscellaneous	-	103,629	-
Total Revenues	<u>518,196</u>	<u>1,884,186</u>	<u>24,780</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	34,222	24,780
Special	-	284,252	-
Support Services:			
Pupils	-	34,176	-
Instructional Staff	-	440,871	-
Plant Operation and Maintenance	-	2,902	-
Pupil Transportation	-	694	-
Non-Instructional Services	565,327	694,488	-
Extracurricular Activities	-	389,877	-
Total Expenditures	<u>565,327</u>	<u>1,881,482</u>	<u>24,780</u>
Excess of Revenues Over(Under) Expenditures	(47,131)	2,704	-
Other Financing Sources:			
Transfers-In	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net Change in Fund Balances	(7,131)	42,704	-
Fund Balance at Beginning of Year	<u>8,900</u>	<u>296,977</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,769</u>	<u>\$ 339,681</u>	<u>\$ -</u>

Capital Project Funds			Total Nonmajor Governmental Funds
Video Distance Learning	Community Gym Project	Total	
\$ -	\$ -	\$ 24,780	\$ 845,439
-	-	-	461,621
-	567	567	957
-	-	-	69,555
-	-	-	428,332
-	1,000	1,000	104,629
-	1,567	26,347	1,910,533
-	-	24,780	59,002
-	-	-	284,252
-	-	-	34,176
35	-	35	440,906
-	-	-	2,902
-	-	-	694
-	-	-	694,488
-	-	-	389,877
35	-	24,815	1,906,297
(35)	1,567	1,532	4,236
-	-	-	40,000
(35)	1,567	1,532	44,236
35	6,061	6,096	303,073
<u>\$ -</u>	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>\$ 347,309</u>

(Concluded)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL SUPPORT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Tuition and Fees	\$ 17,000	\$ 17,000	\$ 14,840	\$ (2,160)
Extracurricular Activities	72,700	72,700	83,223	10,523
Miscellaneous	66,200	66,200	85,313	19,113
Total Revenues	155,900	155,900	183,376	27,476
Expenditures:				
Current:				
Support Services:				
Pupils	20,900	25,802	25,738	64
Instructional Staff	28,700	29,950	18,687	11,263
Extracurricular Activities	115,850	187,493	133,839	53,654
Total Expenditures	165,450	243,245	178,264	64,981
Excess of Revenues Over(Under)				
Expenditures	(9,550)	(87,345)	5,112	92,457
Fund Balance at Beginning of Year	87,174	87,174	87,174	-
Prior Year Encumbrances Appropriated	4,201	4,201	4,201	-
Fund Balance at End of Year	\$ 81,825	\$ 4,030	\$ 96,487	\$ 92,457

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOUNDATION GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	416	416	416	-
Fund Balance at End of Year	<u>\$ 416</u>	<u>\$ 416</u>	<u>\$ 416</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISTRICT MANAGED STUDENT ACTIVITIES - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Tuition and Fees	\$ 45,000	\$ 45,000	\$ 54,715	\$ 9,715
Extracurricular Activities	373,475	373,475	357,106	(16,369)
Miscellaneous	17,475	17,475	17,699	224
Total Revenues	435,950	435,950	429,520	(6,430)
Expenditures:				
Current:				
Extracurricular Activities	451,100	501,100	460,593	40,507
Total Expenditures	451,100	501,100	460,593	40,507
Excess of Revenues Over(Under) Expenditures	(15,150)	(65,150)	(31,073)	34,077
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	-	-	620	620
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(15,150)	(65,150)	(30,453)	34,697
Fund Balance at Beginning of Year	148,464	148,464	148,464	-
Prior Year Encumbrances Appropriated	59,980	59,980	59,980	-
Fund Balance at End of Year	\$ 193,294	\$ 143,294	\$ 177,991	\$ 34,697

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MANAGEMENT INFORMATION SYSTEMS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 9,800	\$ 8,571	\$ 8,571	\$ -
Total Revenues	<u>9,800</u>	<u>8,571</u>	<u>8,571</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	<u>9,800</u>	<u>8,571</u>	<u>8,571</u>	<u>-</u>
Total Expenditures	<u>9,800</u>	<u>8,571</u>	<u>8,571</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DATA COMMUNICATIONS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 9,000	\$ -
Total Revenues	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ -</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>9,009</u>	<u>9,009</u>	<u>9,009</u>	<u>-</u>
Total Expenditures	<u>9,009</u>	<u>9,009</u>	<u>9,009</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	(9)	(9)	(9)	-
Fund Balance at Beginning of Year	<u>9</u>	<u>9</u>	<u>9</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOLNET PROFESSIONAL DEVELOPMENT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 4,140	\$ 4,140	\$ 4,140	\$ -
Total Revenues	<u>4,140</u>	<u>4,140</u>	<u>4,140</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>5,377</u>	<u>5,377</u>	<u>5,427</u>	<u>(50)</u>
Total Expenditures	<u>5,377</u>	<u>5,377</u>	<u>5,427</u>	<u>(50)</u>
Excess of Revenues Over(Under) Expenditures	(1,237)	(1,237)	(1,287)	(50)
Fund Balance at Beginning of Year	<u>1,237</u>	<u>1,237</u>	<u>1,237</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50)</u>	<u>\$ (50)</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OHIO READS GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 16,500	\$ 16,500	\$ 16,500	\$ -
Total Revenues	<u>16,500</u>	<u>16,500</u>	<u>16,500</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	8,880	8,880	8,880	-
Support Services:				
Instructional Staff	<u>7,620</u>	<u>7,620</u>	<u>7,620</u>	<u>-</u>
Total Expenditures	<u>16,500</u>	<u>16,500</u>	<u>16,500</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SUMMER INTERVENTION GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 50,350	\$ 50,350	\$ 50,351	\$ 1
Total Revenues	<u>50,350</u>	<u>50,350</u>	<u>50,351</u>	<u>1</u>
Expenditures:				
Current:				
Instruction:				
Special	54,644	53,950	46,290	7,660
Support Services:				
Pupil Transportation	-	694	694	-
Total Expenditures	<u>54,644</u>	<u>54,644</u>	<u>46,984</u>	<u>7,660</u>
Excess of Revenues Over(Under) Expenditures	(4,294)	(4,294)	3,367	7,661
Fund Balance at Beginning of Year	1,599	1,599	1,599	-
Prior Year Encumbrances Appropriated	<u>2,695</u>	<u>2,695</u>	<u>2,695</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,661</u>	<u>\$ 7,661</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SAFE SCHOOL HELPLINE - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,710	\$ 2,710	\$ 2,711	\$ 1
Total Revenues	<u>2,710</u>	<u>2,710</u>	<u>2,711</u>	<u>1</u>
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	<u>2,957</u>	<u>2,957</u>	<u>2,902</u>	<u>55</u>
Total Expenditures	<u>2,957</u>	<u>2,957</u>	<u>2,902</u>	<u>55</u>
Excess of Revenues Over(Under) Expenditures	(247)	(247)	(191)	56
Fund Balance at Beginning of Year	<u>247</u>	<u>247</u>	<u>247</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 56</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-B GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 449,397	\$ 449,397	\$ 449,397	\$ -
Total Revenues	<u>449,397</u>	<u>449,397</u>	<u>449,397</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	114,397	114,397	114,397	-
Support Services:				
Instructional Staff	<u>335,000</u>	<u>335,000</u>	<u>335,000</u>	<u>-</u>
Total Expenditures	<u>449,397</u>	<u>449,397</u>	<u>449,397</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE III GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Vocational Education Grant (524)			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 6,042	\$ 6,596	\$ 6,596	\$ -
Total Revenues	6,042	6,596	6,596	-
Expenditures:				
Current:				
Support Services:				
Instructional Staff	6,042	6,596	6,596	-
Total Expenditures	6,042	6,596	6,596	-
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 107,375	\$ 103,784	\$ 103,785	\$ 1
Total Revenues	<u>107,375</u>	<u>103,784</u>	<u>103,785</u>	<u>1</u>
Expenditures:				
Current:				
Instruction:				
Special	<u>116,090</u>	<u>112,499</u>	<u>109,446</u>	<u>3,053</u>
Total Expenditures	<u>116,090</u>	<u>112,499</u>	<u>109,446</u>	<u>3,053</u>
Excess of Revenues Over(Under) Expenditures	(8,715)	(8,715)	(5,661)	3,054
Fund Balance at Beginning of Year	<u>8,715</u>	<u>8,715</u>	<u>8,715</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,054</u>	<u>\$ 3,054</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 11,132	\$ 11,132	\$ 11,132	\$ -
Total Revenues	<u>11,132</u>	<u>11,132</u>	<u>11,132</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	<u>11,132</u>	<u>11,132</u>	<u>11,127</u>	<u>5</u>
Total Expenditures	<u>11,132</u>	<u>11,132</u>	<u>11,127</u>	<u>5</u>
Excess of Revenues Over(Under) Expenditures	-	-	5	5
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DRUG FREE SCHOOLS PROGRAM - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 8,962	\$ 8,962	\$ 8,962	\$ -
Total Revenues	<u>8,962</u>	<u>8,962</u>	<u>8,962</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>8,962</u>	<u>8,962</u>	<u>8,962</u>	<u>-</u>
Total Expenditures	<u>8,962</u>	<u>8,962</u>	<u>8,962</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PRESCHOOL GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 20,341	\$ 22,554	\$ 22,554	\$ -
Total Revenues	<u>20,341</u>	<u>22,554</u>	<u>22,554</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>20,341</u>	<u>22,554</u>	<u>22,554</u>	<u>-</u>
Total Expenditures	<u>20,341</u>	<u>22,554</u>	<u>22,554</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-R GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 51,648	\$ 50,527	\$ 50,528	\$ 1
Total Revenues	<u>51,648</u>	<u>50,527</u>	<u>50,528</u>	<u>1</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>52,050</u>	<u>50,929</u>	<u>50,930</u>	<u>(1)</u>
Total Expenditures	<u>52,050</u>	<u>50,929</u>	<u>50,930</u>	<u>(1)</u>
Excess of Revenues Over(Under) Expenditures	(402)	(402)	(402)	-
Fund Balance at Beginning of Year	247	247	247	-
Prior Year Encumbrances Appropriated	<u>155</u>	<u>155</u>	<u>155</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOL TO WORK GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,842	\$ 2,807	\$ 2,807	\$ -
Total Revenues	<u>2,842</u>	<u>2,807</u>	<u>2,807</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	2,131	2,807	2,788	19
Support Services:				
Instructional Staff	711	-	-	-
Total Expenditures	<u>2,842</u>	<u>2,807</u>	<u>2,788</u>	<u>19</u>
Excess of Revenues Over(Under) Expenditures	-	-	19	19
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 19</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOOD SERVICE PROGRAM - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 55,500	\$ 55,500	\$ 76,297	\$ 20,797
Interest	-	-	390	390
Charges for Services	484,720	481,500	450,291	(31,209)
Total Revenues	<u>540,220</u>	<u>537,000</u>	<u>526,978</u>	<u>(10,022)</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	200	700	-	700
Non-Instructional Services	578,000	566,300	565,994	306
Total Expenditures	<u>578,200</u>	<u>567,000</u>	<u>565,994</u>	<u>1,006</u>
Excess of Revenues Over(Under) Expenditures	<u>(37,980)</u>	<u>(30,000)</u>	<u>(39,016)</u>	<u>(9,016)</u>
Other Financing Sources (Uses):				
Transfers-In	30,000	30,000	40,000	10,000
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(7,980)	-	984	984
Fund Balance at Beginning of Year	<u>220</u>	<u>220</u>	<u>220</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (7,760)</u>	<u>\$ 220</u>	<u>\$ 1,204</u>	<u>\$ 984</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOLNET PLUS FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 24,780	\$ 24,780	\$ 24,780	\$ -
Total Revenues	<u>24,780</u>	<u>24,780</u>	<u>24,780</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>24,780</u>	<u>24,780</u>	<u>24,780</u>	<u>-</u>
Total Expenditures	<u>24,780</u>	<u>24,780</u>	<u>24,780</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VIDEO DISTANCE LEARNING - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	35	35	35	-
Total Expenditures	35	35	35	-
Excess of Revenues Over(Under) Expenditures	(35)	(35)	(35)	-
Fund Balance at Beginning of Year	35	35	35	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMMUNITY GYM PROJECT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	700	700	567	(133)
Miscellaneous	-	-	1,000	1,000
Total Revenues	<u>700</u>	<u>700</u>	<u>1,567</u>	<u>867</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	700	700	1,567	867
Fund Balance at Beginning of Year	<u>6,061</u>	<u>6,061</u>	<u>6,061</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,761</u>	<u>\$ 6,761</u>	<u>\$ 7,628</u>	<u>\$ 867</u>

Fiduciary Funds

Private-Purpose Trust Funds

Private-purpose trust funds are used to account for assets held by the School District, which have been restricted so that the principal and income of the fund benefit individuals, private organizations, or other governments and are not available to support the operations of the School District.

Scholarship Trust Fund

To account for restricted donations, where the donations themselves may be used, to provide scholarships to selected students graduating from the School District.

Memorial Scholarship Trust Fund

To account for the restricted donations, where the corpus of the donations may not be used, which were provided in memory of individuals to provide scholarship to selected District students.

Agency Funds

Agency funds account for monies held by the School District in a purely custodial nature for other organizations. Accordingly, all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held.

Student Managed Activities Fund

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

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2005

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 148	\$ -	\$ 148
Cash and Cash Equivalents:			
With Fiscal Agent	4,456	134,731	139,187
Total Assets	4,604	134,731	139,335
Net Assets:			
Held in trust for scholarships	4,604	134,731	139,335
Total Net Assets	\$ 4,604	\$ 134,731	\$ 139,335

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Additions:			
Gifts and Donations	\$ 1,945	\$ -	\$ 1,945
Investment Earnings	137	15,881	16,018
Total Additions	2,082	15,881	17,963
Deductions:			
Payments in accordance with trust agreements	1,362	14,000	15,362
Total Deductions	1,362	14,000	15,362
Change in Net Assets	720	1,881	2,601
Net Assets Beginning of Year	3,884	132,850	136,734
Net Assets End of Year	\$ 4,604	\$ 134,731	\$ 139,335

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<u>Student Managed Activities</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 60,651	\$ 89,715	\$ 62,354	\$ 88,012
Total Assets	<u>60,651</u>	<u>89,715</u>	<u>62,354</u>	<u>88,012</u>
Liabilities:				
Due to Students	60,651	89,715	62,354	88,012
Total Liabilities	<u>\$ 60,651</u>	<u>\$ 89,715</u>	<u>\$ 62,354</u>	<u>\$ 88,012</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
SCHOLARSHIP TRUST FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 5,500	\$ 2,000	\$ 1,946	\$ (54)
Interest	11,459	265	137	(128)
Total Revenues	<u>16,959</u>	<u>2,265</u>	<u>2,083</u>	<u>(182)</u>
Expenses:				
Student Scholarships	2,500	2,265	1,362	903
Total Expenses	<u>2,500</u>	<u>2,265</u>	<u>1,362</u>	<u>903</u>
Excess of Revenues Over(Under) Expenses	14,459	-	721	721
Fund Equity at Beginning of Year	<u>3,884</u>	<u>3,884</u>	<u>3,884</u>	<u>-</u>
Fund Equity at End of Year	<u><u>\$ 18,343</u></u>	<u><u>\$ 3,884</u></u>	<u><u>\$ 4,605</u></u>	<u><u>\$ 721</u></u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
MEMORIAL SCHOLARSHIP TRUST FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 6,000	\$ 6,000	\$ -	\$ (6,000)
Interest	7,000	8,000	15,880	7,880
Total Revenues	<u>13,000</u>	<u>14,000</u>	<u>15,880</u>	<u>1,880</u>
Expenses:				
Student Scholarships	<u>3,900</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Total Expenses	<u>3,900</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Excess of Revenues Over(Under) Expenses	9,100	-	1,880	1,880
Fund Balance at Equity of Year	<u>132,850</u>	<u>132,850</u>	<u>132,850</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 141,950</u>	<u>\$ 132,850</u>	<u>\$ 134,730</u>	<u>\$ 1,880</u>

Statistical Section

INTRODUCTORY FINANCIAL

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

for the Fiscal Year Ended
June 30, 2005



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SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
DISTRICT-WIDE EXPENSES - GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS (1)

	2005	2004	2003
Instruction:			
Regular	\$ 9,735,077	\$ 8,764,573	\$ 7,913,107
Special	1,581,687	1,566,021	1,367,311
Vocational	-	-	109
Total Instruction	<u>11,316,764</u>	<u>10,330,594</u>	<u>9,280,527</u>
Support Services:			
Pupils	1,067,645	973,272	924,738
Instructional Staff	1,962,643	1,754,463	1,879,875
Board of Education	75,315	55,746	38,388
Administration	1,720,829	1,557,300	1,438,747
Fiscal	579,921	643,629	547,138
Business	61,469	138,070	78,893
Operation and Maintenance of Plant	2,137,229	1,754,322	1,479,444
Pupil Transportation	1,744,302	1,541,395	1,447,002
Central	85,132	122,872	149,737
Total Support Services	<u>9,434,485</u>	<u>8,541,069</u>	<u>7,983,962</u>
Operation of Non-Instructional Services	712,394	582,234	487,976
Extracurricular Activities	1,020,552	1,022,039	1,019,555
Interest and Fiscal Charges	2,434,193	2,088,755	457,242
Unallocated Depreciation	453,581	454,454	454,658
Total Governmental Expenses	<u>\$ 25,371,969</u>	<u>\$ 23,019,145</u>	<u>\$ 19,683,920</u>

Source: School District Financial Records

(1) The School District first reported District-wide information in fiscal year 2003.

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
DISTRICT-WIDE REVENUES - GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS (1)

	2005	2004	2003
Program Revenues:			
Charges for Services and Sales	\$ 1,206,150	\$ 1,220,579	\$ 1,102,121
Operating Grants and Contributions	820,659	678,695	459,022
Capital Grants and Contributions	<u>39,304</u>	<u>16,071</u>	<u>39,467</u>
Total Program Revenue	<u>2,066,113</u>	<u>1,915,345</u>	<u>1,600,610</u>
General Revenues:			
Property Taxes	14,198,191	12,603,522	10,370,468
Grants and Entitlements not Restricted to Specific Purposes	8,035,944	8,003,879	7,783,380
Investment Earnings	705,577	393,815	41,603
Miscellaneous	<u>1,710,320</u>	<u>209,441</u>	<u>194,438</u>
Total General Revenues	<u>24,650,032</u>	<u>21,210,657</u>	<u>18,389,889</u>
Total Governmental Revenues	<u>\$ 26,716,145</u>	<u>\$ 23,126,002</u>	<u>\$ 19,990,499</u>

Source: School District Financial Records

(1) The School District first reported District-wide information in fiscal year 2003.

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Current:										
Instruction:										
Regular	\$ 9,302,292	\$ 8,545,392	\$ 7,945,405	\$ 7,982,835	\$ 7,403,850	\$ 6,946,005	\$ 6,448,239	\$ 6,246,439	\$ 5,841,743	\$ 5,253,820
Special	1,306,646	1,237,236	1,305,105	1,133,204	1,039,586	962,189	959,739	957,649	822,311	709,509
Vocational	-	-	-	-	-	71	76	434	425	-
Support Services:										
Pupils	1,018,539	941,376	899,539	828,603	619,133	595,085	626,173	642,176	476,901	456,071
Instructional Staff	1,436,739	1,465,701	1,559,717	1,550,524	1,313,629	1,309,417	939,425	614,943	507,240	397,838
Board of Education	75,315	55,746	38,386	21,670	24,906	30,285	50,709	34,063	28,414	26,006
Administration	1,676,813	1,513,099	1,414,826	1,341,714	1,198,708	1,104,583	1,138,517	1,030,712	948,428	744,018
Fiscal	496,234	585,717	527,114	437,988	459,884	449,158	410,295	369,731	342,737	390,376
Business	98,728	100,811	82,377	104,742	62,134	58,874	29,318	36,314	34,863	34,893
Plant Operation & Maintenance	1,858,833	1,773,439	1,666,090	1,615,805	1,421,174	1,355,651	1,279,129	1,233,878	1,943,494	944,001
Pupil Transportation	1,396,603	1,426,671	1,188,717	1,397,561	1,333,015	1,124,806	1,025,067	912,155	872,803	764,437
Central	85,132	117,910	148,198	98,210	105,184	525	2,841	-	-	53,449
Non-Instructional Services	3,144	14,248	(10,421)	31,276	6,350	16,211	11,782	17,673	14,688	12,043
Extracurricular Activities	539,966	460,837	460,569	358,424	311,567	320,194	292,152	277,917	250,277	230,317
Capital Outlay	-	24,819	60,176	189,985	11,950	75	57,117	16,046	318,528	429,492
Debt Service	36,000	263,149	290,259	284,891	257,386	189,661	198,578	204,780	204,447	82,836
Other Financing Uses	-	-	-	-	-	-	-	-	-	-
Total	\$ 19,330,984	\$ 18,526,151	\$ 17,576,057	\$ 17,377,432	\$ 15,568,436	\$ 14,462,790	\$ 13,469,157	\$ 12,594,910	\$ 12,607,299	\$ 10,529,106

Source: School District Financial Records

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Taxes	\$ 10,364,981	\$ 9,959,510	\$ 9,252,192	\$ 9,291,913	\$ 8,772,047	\$ 8,649,603	\$ 8,572,104	\$ 7,914,530	\$ 7,027,394	\$ 6,581,115
Intergovernmental	7,591,988	7,709,928	7,639,197	6,694,742	5,623,156	5,075,752	4,783,157	4,327,200	3,835,891	3,877,285
Interest	644,723	375,067	41,046	79,041	244,816	181,610	174,050	148,837	73,618	171,619
Tuition and Fees	246,642	253,727	167,220	224,098	213,103	192,324	174,322	153,140	180,684	140,340
Extracurricular Activities	-	-	-	-	-	-	2,178	1,725	-	-
Miscellaneous	879,202	89,246	146,337	125,684	245,003	41,043	45,774	5,899	4,576	4,556
Total	\$ 19,727,536	\$ 18,387,478	\$ 17,245,992	\$ 16,415,478	\$ 15,098,125	\$ 14,140,332	\$ 13,751,585	\$ 12,551,331	\$ 11,122,163	\$ 10,774,915

Source: School District Financial Records

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

COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	DELINQUENT TAX COLLECTIONS (A)	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	ACCUMULATED OUTSTANDING DELINQUENT TAXES (C)	PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY
2004	\$ 14,535,834	\$ 13,850,562	\$ 287,470	\$ 14,138,032	97.26%	\$ 449,712	3.09%
2003	11,612,588	11,035,061	310,316	11,345,377	97.70%	373,855	3.22%
2002	11,930,320	11,210,884	254,275	11,465,159	96.10%	492,832	4.13%
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%

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 2004 is the latest complete year for which information is available. Amounts include state reimbursements of homestead and rollback exemptions as these amounts could not be practically excluded.

(A) Delinquent tax collections reported for collections years 1995 through 1997 does not include delinquent real property 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 (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	
2005	\$ 394,071,960	\$ 1,125,919,886	\$ 13,430,790	\$ 15,262,261	\$ 11,236,327	\$ 44,945,308	\$ 418,739,077	\$ 1,186,127,455	35.30%
2004	379,227,120	1,083,506,057	13,885,810	15,779,330	11,534,541	46,138,164	404,647,471	1,145,423,551	35.33%
2003	370,848,680	1,059,567,657	14,549,950	16,534,034	9,096,142	36,384,568	394,494,772	1,112,486,259	35.46%
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	290,916,850	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%

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	TOTAL
2005	\$ 69.80	\$ 11.80	\$ 3.45	\$ 20.90	\$ 105.95	\$ 8.50	\$ 0.11	\$ 8.61
2004	69.80	10.57	3.45	20.90	104.72	8.50	0.26	8.76
2003	62.80	10.83	3.45	20.90	97.98	1.50	0.25	1.75
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

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>
2005	\$ 48,399,094	\$ 418,739,077	14,450	11.56%	\$ 3,349
2004	49,314,791	404,647,471	14,450	12.19%	3,413
2003	6,035,918	394,494,772	13,650	1.53%	442
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

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

(2) Source: Greene County Auditor

(3) Source: Fiscal years 1996 to 1999: U.S. Bureau of the Census, Population Estimates Branch
Fiscal years 2000 to 2005: Estimates by City of Bellbrook, Ohio and Sugarcreek Township

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
 JUNE 30, 2005

JURISDICTION	NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO SCHOOL DISTRICT	AMOUNT APPLICABLE TO SCHOOL DISTRICT
Sugarcreek Local School District	\$ 48,399,094	100.00%	\$ 48,399,094
Greene County	21,638,610	12.93% (1)	<u>2,797,872</u>
			<u>\$ 51,196,966</u>

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

(1) - 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, 2005

Assessed Value	\$ <u>418,739,077</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>37,686,517</u>
Amount of Debt Applicable to Debt Limit: Bonded Debt	(49,685,613)
Amount Available in Debt Service Fund	<u>1,286,519</u>
Net Bonded Debt	<u>(48,399,094)</u>
Overall Debt Margin	<u>(10,712,577) (2)</u>
Energy Conservation Debt Limit - 9/10% of 1% of Assessed Value (1)	3,768,652
Amount of Debt Applicable	<u>(75,500)</u>
Energy Conservation Debt Margin	<u>3,693,152</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	418,739
Amount of Debt Applicable	<u>-</u>
Unvoted Debt Margin	<u>418,739</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.

(2) As defined by the Ohio Revised Code section 133.06(E), the School District has been certified as an approved special needs district and is entitled to exceed the 9 percent of assessed value limit. The overall debt limit for an approved special needs district is adjusted for projected increase in tax valuation for the next ten years. For Sugarcreek Local School District this amount equaled an adjusted overall debt limit of \$56,621,898 and resulted in an overall debt margin of \$8,222,804 at June 30, 2005.

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	RATIO OF DEBT SERVICE TO GENERAL FUND EXPENDITURES (PERCENTAGE)
2005	\$ 600,000	\$ 2,250,821	\$ 2,850,821	\$ 19,330,984	14.75%
2004	460,000	114,023	574,023	18,526,151	3.10%
2003	442,142	259,811	701,953	17,576,057	3.99%
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%

Source: School District Financial Records

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>
2005	2,776
2004	2,761
2003	2,751
2002	2,651
2001	2,603
2000	2,585
1999	2,579
1998	2,558
1997	2,486
1996	2,335

TEN YEAR ENROLLMENT PROJECTION (1)

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2006	2,840
2007	2,933
2008	3,026
2009	3,119
2010	3,212
2011	3,305
2012	3,398
2013	3,491
2014	3,584
2015	3,677

(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>
2005	14,450	(5)	2,776	6.00%
2004	14,450	(5)	2,761	5.90%
2003	13,650	\$ 70,601	2,751	4.10%
2002	13,650	\$ 68,859	2,651	3.60%
2001	14,500	\$ 67,449	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%

Source:

- (1) Fiscal years 1994 to 1999: U.S. Bureau of the Census, Population Estimates Branch.
 Fiscal year 2000 to 2005: 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)
2005	2,900	\$ 66,289,430	(3)	\$ 418,739,077
2004	2,949	71,745,640	(3)	404,647,471
2003	3,111	59,120,270	(3)	394,494,772
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

(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, 2004

NAME OF TAXPAYER	ASSESSED VALUE (1)	PERCENT OF TOTAL ASSESSED VALUE
Dayton Power and Light Company	\$ 10,223,110	2.51%
Lofino Properties LLC	4,054,660	1.00%
Papock Herbert	3,938,320	0.97%
Mill Pond Limited Partnership	3,517,250	0.86%
Home Depot	3,232,720	0.79%
Five Seasons Sports Club	2,975,420	0.73%
RLG Center Point LTD	2,460,460	0.60%
Briggs Road Associates	2,152,210	0.53%
Spears Wendell E.	1,867,410	0.46%
Sugar Valley Country Club	<u>1,769,370</u>	<u>0.43%</u>
Subtotal	36,190,930	8.88%
All Other Taxpayers	<u>371,311,820</u>	<u>91.12%</u>
Total Assessed Valuation	<u>\$ 407,502,750</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 2005

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS - TANGIBLE PERSONAL PROPERTY
DECEMBER 31, 2004

NAME OF TAXPAYER	ASSESSED VALUE (1)	PERCENT OF TOTAL ASSESSED VALUE
Lowes Home Centers Inc.	\$ 1,458,500	12.98%
Home Depot	1,324,400	11.79%
Walmart Stores Est. Inc.	1,282,230	11.41%
Time Warner Entertainment Co.	1,173,190	10.44%
Kohls Department Stores Inc.	695,410	6.19%
Dayton Foods LTD Partnership	555,130	4.94%
Kroger Limited Partnership	537,380	4.78%
Discount Drug Mart Inc.	309,730	2.76%
Staples	258,370	2.30%
Five Seasons Sport Club	<u>226,340</u>	<u>2.01%</u>
Subtotal	7,820,680	69.60%
All Other Taxpayers	<u>3,415,647</u>	<u>30.40%</u>
Total Assessed Valuation	<u>\$ 11,236,327</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 2005

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

<u>FISCAL YEAR</u>	<u>GENERAL FUND EXPENDITURES</u>	<u>AVERAGE DAILY MEMBERSHIP</u>	<u>PER PUPIL COST</u>
2005	\$ 19,330,984	2,776	\$ 6,964
2004	18,526,151	2,761	6,710
2003	17,576,057	2,751	6,389
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

Source: School District Financial Records

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
LEVY HISTORY
LAST FISCAL TEN YEARS

<u>DATE</u>	<u>MILLAGE</u>	<u>FOR</u>	<u>AGAINST</u>	<u>PERCENT FOR LEVY</u>	<u>PURPOSE</u>
8/8/1995	9.00	1,668	1,227	57.62%	Replacement of current operating levy for five years.
8/5/1997	1.90	769	1,227	38.53%	Five year school improvement
11/4/1997	1.90	1,829	2,192	45.49%	Five year school improvement
2/3/1998	2.00	(A)	(A)	N/A	Continuing permanent improvement levy
11/2/1999	9.00	2,000	1,264	61.27%	Replacement of current operating levy for five years.
5/3/2003	6.90	1,925	1,868	50.75%	Bond issue for construction of new middle school
3/2/2004	9.00	2,122	1,643	56.36%	Replacement of current operating levy for five years.
5/3/2005	6.20	1,738	1,733	50.07%	Replacement of continuing operating levy

Source: Greene County Board of Elections.

(A) Official results could not be provided.



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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
MARCH 14, 2006**