



**Auditor of State  
Betty Montgomery**



**SUGARCREEK LOCAL SCHOOL DISTRICT  
GREENE COUNTY**

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**SUGARCREEK LOCAL SCHOOL DISTRICT**

**GREENE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2003**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Disbursements</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>(Passed Through Ohio Department of Education)</i>				
National School Lunch Program	LLP4-03	10.555	<u>\$56,216</u>	<u>\$56,216</u>
<b>Total U.S. Department of Agriculture</b>			56,216	56,216
<b>U.S. DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT</b>				
<i>(passed through Ohio Emergency Management Authority)</i>				
Public Assistance Grant Programs		83.544	<u>4,751</u>	<u>4,751</u>
<b>Total U.S. Department of Federal Emergency Management</b>			4,751	4,751
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>(Passed Through Ohio Department of Education)</i>				
Title I	C1-S1-03	84.010	37,316	37,316
Special Education Grants to States - Title VI-B	6B-SF-03P	84.027	198,598	198,598
Title IV - Drug Free Education	DR-S1-03	84.186	6,907	6,907
Eisenhower Professional Development State Grant	MS-S1-03	84.281	835	835
Title VI - Innovative Education Program Strategy	C2-S1-02	84.298		179
	C2-S1-03		<u>14,188</u>	<u>14,188</u>
<b>Total Title VI - Innovative Education Program Strategy</b>			14,188	14,367
Title II - A Teacher Training	TRS1-03	84.367	44,331	44,331
Title II - D Technology	TJS1-03	84.318	1,022	1,022
Assistive Technology	ATS3-02	84.352A	<u>15,945</u>	<u>14,356</u>
<b>Total U.S. Department of Education</b>			<u>319,142</u>	<u>317,732</u>
<b>Total Federal Assistance</b>			<u><b>\$380,109</b></u>	<u><b>\$378,699</b></u>

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

**SUGARCREEK LOCAL SCHOOL DISTRICT  
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDING JUNE 30, 2003**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

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

**NOTE C - MATCHING REQUIREMENTS**

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



**Auditor of State  
Betty Montgomery**

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

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

To the Board of Education:

We have audited the accompanying financial statements of the Sugarcreek Local School District, Greene County (the District) as of and for the year ended June 30, 2003, wherein we noted that the District implemented GASB Statement 34, and have issued our report thereon dated December 15, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 15, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 15, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 15, 2003





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Education:

#### Compliance

We have audited the compliance of Sugarcreek Local School District, Greene County (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 on the District's compliance with those requirements.

In our opinion, Sugarcreek Local School District, Greene County, 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, 2003.

#### Internal Control Over Compliance

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

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**Internal Control Over Compliance  
(Continued)**

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

We have audited the basic financial statements of Sugarcreek Local School District as of and for the year ended June 30, 2003, and have issued our report dated December 15, 2003. 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, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

December 15, 2003

**SUGARCREEK LOCAL SCHOOL DISTRICT  
GREENE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
FOR THE YEAR ENDED JUNE 30, 2003**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**SUGARCREEK LOCAL SCHOOL DISTRICT  
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 §.315 (b)  
FOR THE YEAR ENDED JUNE 30, 2003**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2002-10329-01	<b>Ohio Rev. Code, Section 5705.41(B)</b> – Expenditures in Excess of Appropriations	Yes	N/A

Sugarcreek Local School District

Bellbrook, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2003

Issued By:  
Treasurer's Office

Kevin Liming  
Treasurer



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# **INTRODUCTORY SECTION**



**SUGARCREEK LOCAL SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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**SUGARCREEK LOCAL SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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**SUGARCREEK LOCAL SCHOOL DISTRICT**  
***"Soaring Toward Excellence"***

**KEVIN L. LIMING**  
*Treasurer*

December 15, 2003

**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, 2003. The report contains financial statements, supplemental statements and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2002-2003 fiscal year.

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

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

The CAFR report is divided into three sections:

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

The Financial Section includes the unqualified opinion of our independent auditor, Betty Montgomery, Auditor of State. It also includes the management's discussion and analysis, the basic financial statements and notes providing an overview of the School District's financial position and operating results, the combining and individual fund statements and schedules.

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

**THE REPORTING ENTITY**

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

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

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

## **MAJOR INITIATIVES**

**Primary accomplishments for fiscal year 2003 were as follows:**

### **Financial**

- The Financial Advisory Committee met five times during the year to continue to share information and work on financial strategies. This committee serves as the District's audit committee, reviews the five-year financial forecast, and approved the revised By-laws of the Bellbrook/Sugarcreek Education Foundation.
- Received the third annual award from the Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting for the District's 2002 Comprehensive Annual Financial Report.
- Received the third annual award from the Government Finance Officer's Associate (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for the District's 2002 Popular Annual Financial Report.
- Successfully passed a 6.9 mill, \$43.985 million bond issue in May 2003 to provide funding to construct a new middle school and do renovations and additions to other existing buildings.

### **Curriculum and Instruction**

- Continued implementation of the Continuous Improvement Plan for Student Achievement to improve teaching and learning. Earned an "Excellent" performance rating on the 2003 district report card by meeting 21 of the 22 performance indicators.
- Received \$30,000 funding for year 2 of the Ohio Reads Classroom Reading Grant at Bell Creek Elementary School to improve reading intervention services at the fourth and fifth grade levels.
- Expanded the Summer Intervention Program and offered a fourth grade Reading Proficiency Workshop in July.

- Implemented the new K-12 English Language Arts Academic Content Standards and the new K-12 mathematics Academic Content Standards through the following activities: 1) convened Standards Alignment Committees in both content areas, which met throughout the year; 2) introduced the Standards to all language arts and mathematics teachers during grade level and department meetings; and 3) conducted Vertical Team alignment sessions for grades K-5 language arts and mathematics teachers during release time meetings.
- Established a new Grade K-6 Vertical Team Advisory Council to provide ongoing grade-level leadership and vertical leadership in language arts and mathematics.
- Developed Language Arts Curriculum Maps and Mathematics Curriculum Maps for grades K-6 to ensure that Grade-Level Indicators are appropriately taught, as mandated by the Standards.
- Showcased the Bellbrook Junior High Technology Club at the 2002 OSBA Student Achievement Fair on November 12, 2002 at the OSBA Capital Conference in Columbus, Ohio.

### **Technology**

- Expanded the Community Tech Night Out program for the community to participate in low-cost computer training classes taught by school personnel at Bellbrook High School.
- Provided training in basic technology skills to all instructional staff to ensure proficiency in five areas: basic computer operations, word processing, spreadsheets, e-mail/internet use, and media communications.
- Upgraded video-editing hardware and software at Bellbrook High School to enable the use of professional level technology for video editing projects by students.
- Placed SmartBoard technology at Bellbrook High School and Bellbrook Junior High School. These instructional tools allow teachers to integrate technology seamlessly by drawing on a wide range of images and information for spontaneous lessons or planned instruction. These were purchased with state grant funds.
- Purchased a wireless laptop computer lab for Bellbrook Junior High School, which allows a fully connected lab to be placed in any classroom. This was also purchased with state grant funds.
- Purchased four multimedia technology systems for Sugarcreek Elementary School that allows teachers to scan, print, and access video in the VHS format through wireless interaction with the schools network and the Internet. This was purchased through federal grant funds.

### **Facilities Initiatives**

- Completed a new roof at Stephen Bell Elementary.
- Purchased new cafeteria tables at Sugarcreek Elementary.
- Tuck-pointed and sealed some exterior masonry at Bell Creek Elementary.
- Purchased a new dump truck/salt spreader.
- Installed new water lines and fountains in the stadium.
- Paved and repaired part of the rear bus lot at the High School.
- Completed final work on the construction of the new fieldhouse with locker rooms and concession areas.
- Completed final work on the construction of a new transportation center.
- Purchased 70 acres of land for the future site of the Bellbrook Middle School.

### **Staff Development Initiatives**

- Presented three teacher in-service days for staff supporting the implementation of the Continuous Improvement Plan for Student Academic Achievement.
- Coordinated participation of 21 teachers in the 2003 Summer Institutes for Reading Intervention.
- Submitted a School Year Waiver Request to the Ohio Department of Education to provide two additional professional development days during the 2003-04 school year to continue implementation of the Continuous Improvement Plan.

### **Communications Initiatives**

- Continued to work closely with the School/Community Relations Coordinator in the production of Eagleview, a school activities information program, to be run on a local cable television network.
- Published "The Bridge", a resident-information publication that is sent to all residents with pertinent school information.

### **Specific goals for fiscal year 2004 are:**

#### **Finance**

- Receive the fourth annual award from the Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting for the District's 2003 Comprehensive Annual Financial Report.
- Receive the fourth annual award from the Government Finance Officer's Associate (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for the District's 2003 Popular Annual Financial Report.
- Continue to work with the Financial Advisory Committee to discuss financial situations and create community resolutions to financial problems.
- Support the Bellbrook/Sugarcreek Education Foundation by making lists of alumni available, providing meeting space, and educating the community about scholarships, capital projects and the arts.
- Support passage of the two-mill permanent improvement renewal levy to be placed on the November 2003 ballot.
- Support passage of the replacement-operating levy to be placed on the March 2004 ballot.

#### **Curriculum and Instruction**

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

#### **Technology**

- Continued contact with the community by providing technology based seminars.
- Enhance communication with community and parents through use of e-mail and the District's recently revised website.
- Continue to seek grants and local funding for technology purchases of computers and IVDL equipment.
- To complete the plan for technology at the Bellbrook Middle School, with will be completed in calendar year 2006.

## **Facilities**

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

## **Staff Development**

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

## **Communications**

- Continue to distribute and upgrade the District newsletter.
- Continue to produce the Eagleview program on cable television.
- Continued communications with the community through press and news releases.
- Distribute CAFR and PAFR financial reports to key businesses and citizens, as well as continuing to make these documents available for public inspection in the Treasurer's Office throughout the year.

## **SERVICE EFFORTS**

The District utilizes a Financial Advisory Committee, which consists of 17 members including District representatives as well as community members. This committee has established relationships between the school and area business people, which allows for a cooperative effort to improve education.

The Bellbrook/Sugarcreek Education Foundation is currently funding scholarships, making donations for the improvement of the arts and supplemental District capital projects. This group also consists of community members and District representatives.

## **FINANCIAL INFORMATION**

### **Financial Reporting**

This is the first year the District has prepared financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB 34 creates new basic financial statements for reporting the District's financial activities and including the following:

#### Government-wide Financial Statements

These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities in nature. The District did not have any business-type activities during fiscal year 2003.



### Fund Financial Statements

These statements present information for individual major funds rather than by fund type. Funds, which are not classified as major funds are presented in one column, titled "Nonmajor Funds". Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. The fiduciary funds are presented using the accrual basis of accounting.

### Statement of Budgetary Comparisons

These statements present comparison of actual information to, both the original and final amended, budget legally adopted by the District for the General Fund and any major special revenue funds. The District has no major special revenue funds. The budgetary basis as provided by Ohio Law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a discussion and analysis of the financial information presented in the District's basic financial statements. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal year 2003, as well as an outlook for the future.

### **Internal Accounting and Budgetary Control**

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

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

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

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

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

## **CASH MANAGEMENT**

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. All investments are spread among available investment options to insure maximum interest rates. The District utilizes the STAR Ohio program investment pool, operated by the Ohio Treasurer of State, mutual funds and repurchase agreements for ready cash and yield. Investment earnings for all funds during the fiscal year were \$43,563.

## **RISK MANAGEMENT**

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

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

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

## **INDEPENDENT AUDIT**

State statutes require the School District to be subjected to an annual examination by an independent auditor. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2003. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governments that publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The District received this award from GFOA for the 2002 Comprehensive Annual Financial Report. This year's report will also be submitted for this award.

## **ACKNOWLEDGEMENTS**

The preparation of the 2003 Comprehensive Annual Financial Report was made possible by many, not only through effort but also through support. Gratitude is extended to the Sugarcreek Board of Education for their support of the Treasurer's office that allows reliable and progressive financial operations and reporting.

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

Respectfully submitted,

Kevin L. Liming  
Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sugarcreek Local School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

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



President

Executive Director

**SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO**  
**LIST OF PRINCIPAL OFFICIALS**  
**JUNE 30, 2003**

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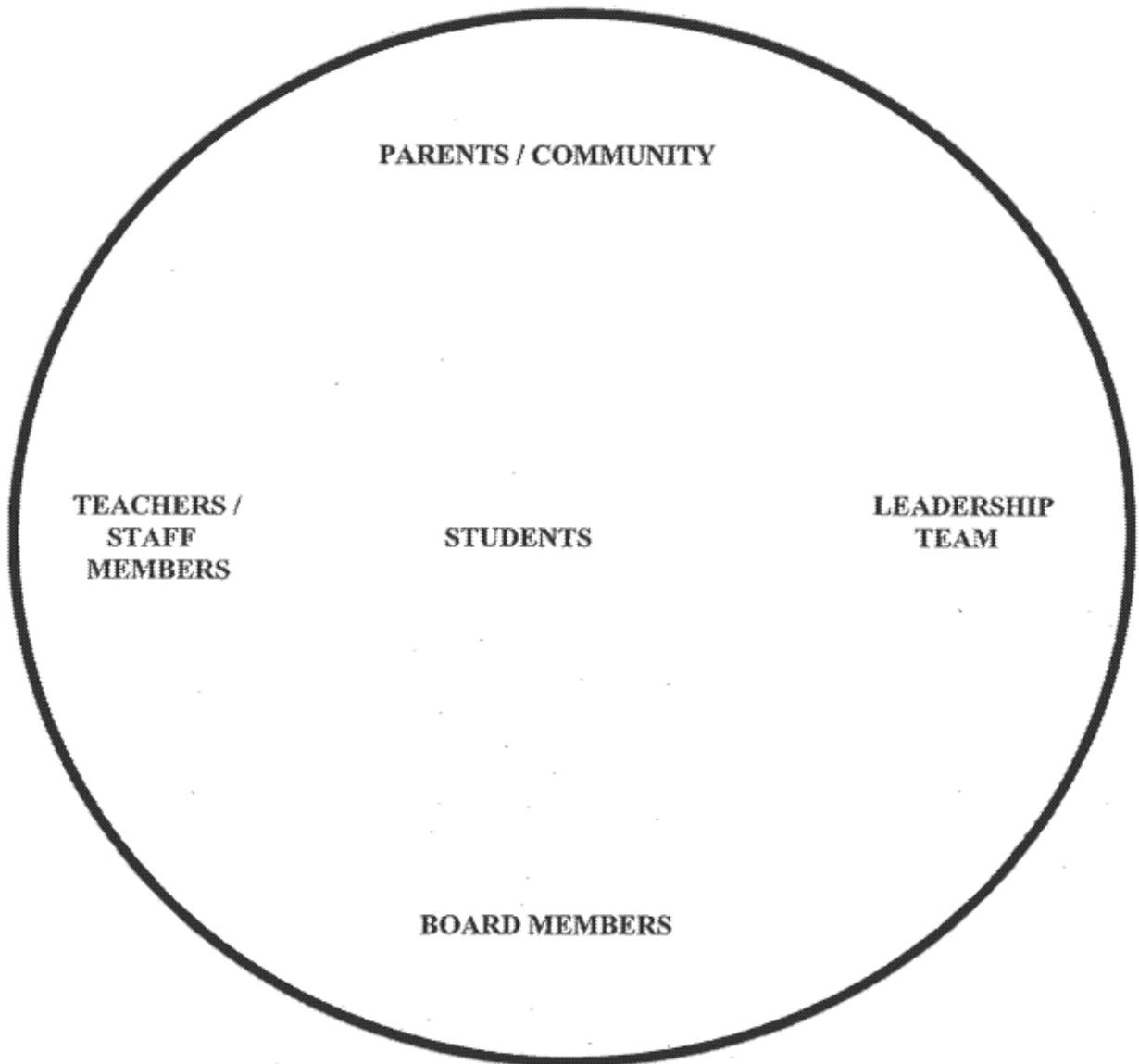
**Board of Education**

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

**Administration Team**

Dr. Keith St. Pierre, Superintendent  
Kevin Liming, Treasurer  
William Wright, Business Manager  
Katherine Poston, Director of Curriculum  
Terry Strieter, Special Education Supervisor  
Charles Birkholtz, Principal, Bellbrook High School  
Amy Baldrige, Assistant Principal, Bellbrook High School  
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**



# SUGARCREEK LOCAL SCHOOL DISTRICT

## State Map



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# **FINANCIAL SECTION**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT**

Sugarcreek Local School District  
Greene County  
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 Sugarcreek Local School District, Greene County, Ohio (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sugarcreek Local School District, Greene County, Ohio, as of June 30, 2003, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2003, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. 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.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



**Betty Montgomery**  
Auditor of State

December 15, 2003

# SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003 Unaudited

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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, 2003. 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 2003 are as follows:

#### *Overall:*

- Total net assets increased \$306,579, which represents a 5.8 percent increase from fiscal year 2002.
- Total assets of governmental activities increased \$306,579, attributed primarily to increased efforts to control operational spending by management due to limitations placed on revenue sources and the depleting cash reserves maintained by the School District.
- General revenues accounted for \$18.4 million or 92.0 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 \$1.6 million or 8.0 percent of total revenues of \$20.0 million.
- Of the School District's \$19.7 million in expenses, only \$1.6 million were offset by program specific charges for services, grants or contributions. General revenues (primarily grants and entitlements, and property taxes) were used to cover the net expense of \$18.1 million.
- The General Fund, the School District's most significant fund, had an ending fund deficit of \$1.03 million or a 52.6 percent decrease from fiscal year 2002. The accumulated deficit is due to the accruals of long-term liabilities for which the School District does not currently have resources to cover. The other two major funds, the Debt Service and Permanent Improvement Funds, had a fund balance of \$461,136 and a deficit of \$500,172, respectively. The deficit in the Permanent Improvement Fund is due the accrual of \$620,000 of notes payable associated with various capital projects. Resources are transferred into the Permanent Improvement Fund as payment on these notes come due.
- On the budgetary basis of accounting, the School District's General Fund ended fiscal year 2003 with a fund balance of \$188,153. Actual budgetary revenues were 2.7 percent higher than original budget estimates and budgetary expenditures were 2.1 percent higher than original budget amounts.

### **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, 2003

Unaudited

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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. While the General Fund is by far the most significant fund at Sugarcreek Local School District, individual fund statements are also presented for the Debt Service and Permanent Improvement Funds since local property and other taxes are paid into these funds.

## **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 2003?" 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. Governmental activities are the activities where most of the School District's programs and services are including, but 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 on page 16. Fund financial reports provide detailed information about the General, Debt Service and Permanent Improvement 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, 2003  
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 2003 compared to 2002:

TABLE 1  
NET ASSETS (000's)

	<u>2003</u>	<u>2002</u>
<i>Assets</i>		
Current and Other Assets	\$ 11,442	\$ 12,660
Capital Assets	<u>16,395</u>	<u>14,590</u>
Total Assets	<u>27,837</u>	<u>27,250</u>
<i>Liabilities</i>		
Long-Term Liabilities	10,125	9,593
Other Liabilities	<u>12,128</u>	<u>12,380</u>
Total Liabilities	<u>22,253</u>	<u>21,973</u>
<i>Net Assets</i>		
Invested in Capital Assets, Net of Debt	7,226	6,152
Restricted	530	693
Unrestricted	<u>(2,172)</u>	<u>(1,568)</u>
Total Net Assets	\$ <u>5,584</u>	\$ <u>5,277</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2003, the School District's net assets were \$5.6 million. Of that amount, approximately \$7.2 million was invested in capital assets, net of debt related to those assets. Another \$530,000 was subject to external restrictions upon its use. The remaining unreserved deficit of \$2.2 million was due to the accruals of long-term liabilities for which the School District does not currently have resources to cover. Management of the School District is currently discussing various options to stabilize their long-term financial condition.

Table 2 shows the changes in net assets for fiscal year 2003. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years, when prior-year information is available, a comparative analysis of district-wide data will be presented.

# SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
Unaudited

TABLE 2  
CHANGE IN NET ASSETS

	<u>2003</u>
<b>Revenues</b>	
Program Revenues:	
Charges for Services	\$ 1,102,121
Operating Grants and Contributions	459,022
Capital Grants and Contributions	39,467
General Revenues:	
Property Taxes	10,370,468
Grants and Entitlements	7,783,380
Other	<u>236,041</u>
Total Revenues	<u>19,990,499</u>
<b>Program Expenses</b>	
Instruction	9,280,527
Support Services:	
Pupils and Instructional Staff	2,804,613
Board of Education, Administration, Fiscal and Business	2,103,166
Plant Operation and Maintenance	1,479,444
Pupil Transportation	1,447,002
Central	149,737
Operation of Non-Instructional Services	487,976
Extracurricular Activities	1,019,555
Unallocated Depreciation	454,658
Interest and Fiscal Charges	<u>457,242</u>
Total Expenses	<u>19,683,920</u>
Decrease in Net Assets	\$ <u><u>306,579</u></u>

## Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. Property taxes made up 51.9 percent of revenues for governmental activities for the Sugarcreek Local School District for fiscal year 2003. In addition to property taxes, the School District relies on the intergovernmental revenues provided by the State of Ohio and the federal government to fund its operations; approximately 41.4 percent of the School District's total revenue was received from intergovernmental sources during fiscal year 2003.

The slight increases in net assets realized by the School District during fiscal year 2003 is attributed to the efforts of management to control operational spending due to limitations placed on revenue sources and the depleting cash reserves maintained by the School District. Additional spending reductions could be implemented in future fiscal years if additional revenue sources are not secured.



# SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003 Unaudited

Instruction comprises 47.2 percent of the School District's expenses for fiscal year 2003. Support services expenses make up 40.6 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements. Comparisons to 2002 have not been made because they are not available.

Table 3  
Total and Cost of Program Services  
Governmental Activities  
For Fiscal Year 2003

	Total Cost of Service	Net Cost of Service
Instruction	\$ 9,280,527	\$ 8,907,695
Support Services:		
Pupils and Instructional Staff	2,804,613	2,504,007
Board of Education, Administration, Fiscal and Business	2,103,166	2,103,166
Plant Operation and Maintenance	1,479,444	1,477,199
Pupil Transportation	1,447,002	1,447,002
Central	149,737	139,813
Operation of Non-Instructional Services	487,976	36,927
Extracurricular Activities	1,019,555	555,601
Unallocated Depreciation	454,658	454,658
Interest and Fiscal Charges	<u>457,242</u>	<u>457,242</u>
Total Expenses	\$ <u>19,683,920</u>	\$ <u>18,083,310</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting the staff with the contents and process of teaching to pupils.

Board of education, administration, fiscal and business includes expenses associated with administrative and financial supervision of the District.

Plant operation and maintenance activities involve keeping the school grounds, buildings, and equipment in an effective working condition, including normal repair and maintenance.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Central includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

# SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2003 Unaudited

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Operation of non-instructional services includes the preparation, delivery and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities, as well as services provided to the community at-large.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Unallocated depreciation represents current period depreciation charges associated with capital assets that are utilized by several different functions, typically school buildings throughout the District.

Interest and fiscal charges involves the transaction associated with the payment of interest and other related charges to debt of the School District.

### **The School District's Funds**

Information about the School District's major funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$21.8 million and expenditures of \$22.7 million. The net decrease in fund balance of \$927,518 resulted in an overall fund deficit of \$789,708 for all governmental funds. Governmental funds had an unreserved fund deficit of \$1.7 million at June 30, 2003 with various reservations of fund balance totaling \$940,995. Increased operational costs, as well as limitations on the growth rate of the School District's primary revenue sources, are the main factors attributing to the decrease in the fund balance of governmental funds. The General Fund had a \$356,233 reduction of fund balance during the year, resulting in an unreserved fund deficit of \$1.8 million.

### **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 \$17.4 million as compared to the original budget estimates of \$16.9 million. The School District received slightly higher than expected levels of taxes and intergovernmental receipts during the fiscal year.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$18.0 million, less than \$0.5 million higher than what was originally budgeted. The higher than expected expenditures in the special instruction and instructional staff support services functions were mostly offset by lower than expected expenditures in the regular instruction functions.

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, 2003  
Unaudited

**Capital Assets**

At the end of fiscal year 2003, the School District had \$26.1 million invested in land, buildings, furniture and equipment, vehicles, and textbooks and library books in governmental activities. Table 4 shows fiscal year 2003 balances compared to 2002, however for greater detail readers should review the notes to the basic financial statements.

Table 4  
Capital Assets at June 30

	2003	2002
Land	\$ 3,432,055	\$ 2,032,575
Improvements	1,297,808	1,297,808
Building and Improvements	16,868,623	15,719,073
Equipment	2,290,659	2,316,524
Vehicles	2,260,518	2,251,811
Less: Accumulated Depreciation	<u>(9,754,800)</u>	<u>(9,027,898)</u>
Totals	\$ <u>16,394,863</u>	\$ <u>14,589,893</u>

Overall, net capital assets increased approximately \$1.8 million from fiscal year 2002. The increase in capital assets results from the current capital asset purchased by the School District being a greater amount than the amount of depreciation being charged against the assets.

Significant capital asset acquired during fiscal year 2003 consisted primarily of a parcel of land, completion of two new support facilities and a new communication system for the School District. The School District acquired the land for the future construction of additional instructional facilities at a cost of approximately \$1.4 million. The School District completed construction on, and placed in service, a new transportation facility and new athletic fieldhouse during the fiscal year at a total cost of approximately \$1.2 million. The new communication system is a 25 unit mobile wireless unit purchased at a cost of approximately \$40,000.

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 2003, this amounts to approximately \$335,000 for each set aside requirement. Conversely, the School District spent approximately \$530,000 on textbooks and instructional supplies and \$2.5 million on capital improvements during fiscal year 2003, 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 including 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, 2003  
Unaudited

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## **Debt Administration**

At June 30, 2003, the School District had one general obligation bond outstanding with outstanding principal of \$6.5 million, of which \$460,000 is due within one year. The original principal of the bond was approximately \$10 million and was issued in 1994 for the construction of the new high school building. Addition debt issues include capital leases and long-term notes payable. As of June 30, 2003 the School District had approximately \$2.5 million of capital lease principal payments due. The majority of this obligation is related to the purchase of the land for the anticipated school building project as well as the lease of the facility used to house the School District's transportation department. 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. These notes are scheduled to be paid off over the next three fiscal years.

At June 30, 2003, the School District's overall legal debt margin was \$29.5 million and the unvoted debt margin was \$394,495.

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 70 students per year for last decade. Recent 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 the realized state funding for fiscal year 2004 will be approximately \$250,000 less than the amount received in fiscal year 2003. These factors coupled with negotiated wage increases for the next two fiscal years and increasing operating costs will continue to put a financial strain on the School District.

In order to address projected shortfalls, the Board of Education and administration implemented budget cuts of over \$1.0 million for fiscal year 2004. In addition, the Board of Education has voted to place a replacement levy of a 9 mill five year operating levy on the March 2004 ballot. The replacement of the current levy at the property values currently assessed would generate an additional \$750,000 per year in operating revenues for the School District. If voters do not approve the levy, additional cuts in the operating budget will be necessary.

To address classroom space deficiencies caused by the increasing enrollment, a new middle school will be constructed with the proceeds of a \$44 million bond levy approved in May 2003. In addition to the construction of the new middle school, all other school buildings will receive renovations and/or additions. Currently, the School District is in the planning phase of this construction project and anticipates receiving bids for the project in the spring of 2004.

The five year 2 mill permanent improvement levy, renewed by voters in November 2003, will allow the School District to maintain an updated bus fleet, perform necessary building maintenance and repairs, and purchase needed technology for the classrooms.

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
Unaudited

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**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.

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

STATEMENT OF NET ASSETS  
JUNE 30, 2003

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 1,109,888
Receivables:	
Property and other taxes	10,247,891
Accounts	13,749
Intergovernmental	2,655
Prepaid items	17,475
Cash and cash equivalents with fiscal agents	5,308
Restricted Assets:	
Equity in pooled cash and cash equivalents	45,306
Other capital assets, net	12,962,808
Land	3,432,055
Total Assets	27,837,135
Liabilities:	
Accounts payable	86,410
Accrued wages and benefits payable	1,583,874
Intergovernmental payable	337,046
Matured compensated absences	8,918
Deferred revenue	9,491,692
Notes payable	620,000
Long Term Liabilities:	
Due within one year	968,104
Due in more than one year	9,157,305
Total Liabilities	22,253,349
Net Assets:	
Invested in capital assets, net of related debt	7,225,799
Restricted for:	
Debt service	467,471
Capital projects	10,678
Other purpose	51,686
Unrestricted	(2,171,848)
Total Net Assets	\$ 5,583,786

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, 2003

		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	\$ 7,913,107	\$ 245,284	\$ 25,065	\$ 39,467	\$ (7,603,291)
Special	1,367,311	-	63,016	-	(1,304,295)
Vocational	109	-	-	-	(109)
Support Services:					
Pupils	924,738	-	-	-	(924,738)
Instructional staff	1,879,875	-	300,606	-	(1,579,269)
Board of education	38,388	-	-	-	(38,388)
Administration	1,438,747	-	-	-	(1,438,747)
Fiscal	547,138	-	-	-	(547,138)
Business	78,893	-	-	-	(78,893)
Operation and maintenance of plant	1,479,444	-	2,245	-	(1,477,199)
Pupil transportation	1,447,002	-	-	-	(1,447,002)
Central	149,737	-	9,924	-	(139,813)
Operation of non-instructional services	487,976	392,883	58,166	-	(36,927)
Extracurricular activities	1,019,555	463,954	-	-	(555,601)
Interest and fiscal charges	457,242	-	-	-	(457,242)
Unallocated depreciation *	454,658	-	-	-	(454,658)
Total Governmental Activities	\$ 19,683,920	\$ 1,102,121	\$ 459,022	\$ 39,467	(18,083,310)

General Revenues:

Property taxes levied for:	
General purposes	9,220,392
Debt service	733,627
Capital outlay	416,449
Grants and entitlements not restricted to specific programs	
Investment earnings	7,783,380
Miscellaneous	41,603
	194,438

Total General Revenues 18,389,889

Changes in net assets 306,579

Net assets at beginning of year (see note 3) 5,277,207

Net assets at end of year \$ 5,583,786

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

See accompanying notes to the basic financial statements.

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

COMBINED BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2003

	General Fund	Debt Service	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 291,890	\$ 426,041	\$ 95,808	\$ 296,149	\$ 1,109,888
Cash and Cash Equivalents:					
With Fiscal Agent	-	-	-	5,308	5,308
Receivables:					
Taxes	9,260,095	693,028	294,768	-	10,247,891
Accounts	13,749	-	-	-	13,749
Intergovernmental	-	-	-	2,655	2,655
Interfund	545	-	-	-	545
Prepaid Items	17,475	-	-	-	17,475
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	45,306	-	-	-	45,306
<b>Total Assets</b>	<b>\$ 9,629,060</b>	<b>\$ 1,119,069</b>	<b>\$ 390,576</b>	<b>\$ 304,112</b>	<b>\$ 11,442,817</b>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 53,179	\$ -	\$ 14,750	\$ 18,481	\$ 86,410
Accrued Wages and Benefits	1,583,874	-	-	-	1,583,874
Intergovernmental Payable	337,046	-	-	-	337,046
Interfund Payable	-	-	-	545	545
Compensated Absences Payable	8,918	-	-	-	8,918
Notes Payable	-	-	620,000	-	620,000
Deferred Revenue	8,679,146	657,933	255,998	2,655	9,595,732
<b>Total Liabilities</b>	<b>10,662,163</b>	<b>657,933</b>	<b>890,748</b>	<b>21,681</b>	<b>12,232,525</b>
<u>Fund Balances:</u>					
<u>Reserved for:</u>					
Encumbrances	123,438	-	31,227	68,735	223,400
Property Taxes	580,949	35,095	38,770	-	654,814
Prepaid Items	17,475	-	-	-	17,475
Budget Stabilization	45,306	-	-	-	45,306
<u>Unreserved, Undesignated:</u>					
General Fund	(1,800,271)	-	-	-	(1,800,271)
Special Revenue Funds	-	-	-	204,909	204,909
Debt Service Fund	-	426,041	-	-	426,041
Capital Projects Funds	-	-	(570,169)	8,787	(561,382)
<b>Total Fund Balances</b>	<b>(1,033,103)</b>	<b>461,136</b>	<b>(500,172)</b>	<b>282,431</b>	<b>(789,708)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,629,060</b>	<b>\$ 1,119,069</b>	<b>\$ 390,576</b>	<b>\$ 304,112</b>	<b>\$ 11,442,817</b>

See accompanying notes to the basic financial statements.

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2003

Total Governmental Fund Balances:		\$ (789,708)
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,394,863
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		104,040
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
Intergovernmental payable	(121,216)	
Compensated absences	(835,129)	
Energy conservation bonds	(226,500)	
G.O. bonds	(6,461,959)	
Capital leases	<u>(2,480,605)</u>	
Total		<u>(10,125,409)</u>
Net Assets of Governmental Activities		<u><u>\$ 5,583,786</u></u>

See accompanying notes to the basic financial statements.

**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, 2003

	General Fund	Debt Service	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 9,252,192	\$ 737,050	\$ 419,723	\$ -	\$ 10,408,965
Intergovernmental	7,639,197	73,501	71,186	497,574	8,281,458
Student Sales	-	-	-	392,883	392,883
Interest	41,046	-	-	557	41,603
Tuition and Fees	167,220	-	-	78,064	245,284
Extracurricular Activities	-	-	-	463,954	463,954
Miscellaneous	146,337	-	-	48,101	194,438
<b>Total Revenues</b>	<b>17,245,992</b>	<b>810,551</b>	<b>490,909</b>	<b>1,481,133</b>	<b>20,028,585</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	7,945,405	-	-	71,181	8,016,586
Special	1,305,105	-	-	63,242	1,368,347
Vocational	-	-	-	109	109
<b>Support Services:</b>					
Pupils	899,539	-	430	16,391	916,360
Instructional Staff	1,559,717	-	-	351,256	1,910,973
Board of Education	38,386	-	-	-	38,386
Administration	1,414,826	-	1,468	-	1,416,294
Fiscal	527,114	9,765	9,607	5,193	551,679
Business	82,377	-	-	-	82,377
Plant Operation and Maintenance	1,666,090	-	196,907	5,963	1,868,960
Pupil Transportation	1,188,717	-	4,842	23,318	1,216,877
Central	148,198	-	-	1,941	150,139
Non-Instructional Services	(10,421)	-	(690)	481,198	470,087
Extracurricular Activities	460,569	-	26,639	496,653	983,861
Capital Outlay	60,176	-	1,524,234	670,455	2,254,865
<b>Debt Service:</b>					
Principal Retirement	236,931	442,142	76,834	-	755,907
Interest and Fiscal Charges	53,328	259,811	41,157	-	354,296
<b>Total Expenditures</b>	<b>17,576,057</b>	<b>711,718</b>	<b>1,881,428</b>	<b>2,186,900</b>	<b>22,356,103</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(330,065)</b>	<b>98,833</b>	<b>(1,390,519)</b>	<b>(705,767)</b>	<b>(2,327,518)</b>
<b>Other Financing Sources (Uses):</b>					
Inception of Capital Lease	-	-	1,400,000	-	1,400,000
Operating Transfers-In	13,477	-	309,429	19,644	342,550
Operating Transfers-Out	(39,645)	(302,905)	-	-	(342,550)
<b>Total Other Financing Sources (Uses)</b>	<b>(26,168)</b>	<b>(302,905)</b>	<b>1,709,429</b>	<b>19,644</b>	<b>1,400,000</b>
<b>Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses</b>	<b>(356,233)</b>	<b>(204,072)</b>	<b>318,910</b>	<b>(686,123)</b>	<b>(927,518)</b>
<b>Fund Balance at Beginning of Year - Restated</b>	<b>(676,870)</b>	<b>665,208</b>	<b>(819,082)</b>	<b>968,554</b>	<b>137,810</b>
<b>Fund Balance at End of Year</b>	<b>\$ (1,033,103)</b>	<b>\$ 461,136</b>	<b>\$ (500,172)</b>	<b>\$ 282,431</b>	<b>\$ (789,708)</b>

See accompanying notes to the basic financial statements.

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

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Net Change in Fund Balances - Total Governmental Funds	\$	(927,518)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Fixed asset additions	2,625,255	
Current year depreciation	<u>(820,285)</u>	
Total		1,804,970
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(38,086)
 Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability		
		(1,400,000)
 Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
General obligation bonds	440,000	
Energy conservation bonds	75,500	
Computer acquisition bonds	2,142	
Energy conservation notes	70,000	
Capital leases	<u>168,265</u>	
Total		755,907
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, and interest expenditure is reported when due.		
		(102,946)
 Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Intergovernmental payable	3,256	
Compensated absences payable	<u>210,996</u>	
Total		<u>214,252</u>
 Change in Net Assets of Governmental Activities	 \$	 <u><u>306,579</u></u>

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, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 9,145,932	\$ 9,392,597	\$ 9,392,597	\$ -
Intergovernmental	7,438,579	7,639,197	7,639,197	-
Interest	38,715	39,759	41,046	1,287
Tuition and Fees	163,254	167,657	167,635	(22)
Miscellaneous	142,474	146,317	146,317	-
<b>Total Revenues</b>	<b>16,928,954</b>	<b>17,385,527</b>	<b>17,386,792</b>	<b>1,265</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	8,316,437	7,921,054	7,869,527	51,527
Special	1,146,518	1,294,284	1,284,519	9,765
<b>Support Services:</b>				
Pupils	856,676	909,010	887,377	21,633
Instructional Staff	1,489,584	1,597,958	1,588,388	9,570
Board of Education	32,865	39,629	36,719	2,910
Administration	1,383,395	1,418,307	1,411,953	6,354
Fiscal	566,708	613,088	610,763	2,325
Business	117,125	119,525	96,323	23,202
Plant Operation and Maintenance	1,638,812	1,737,631	1,719,428	18,203
Pupil Transportation	1,250,486	1,213,400	1,195,714	17,686
Central	117,045	147,805	147,083	722
Non-Instructional Services	7,520	12,470	12,409	61
Extracurricular Activities	360,726	444,885	444,659	226
Capital Outlay	80,400	97,611	96,551	1,060
<b>Debt Service:</b>				
Principal Retirement	245,653	582,178	582,178	-
Interest and Fiscal Charges	17,984	17,984	17,984	-
<b>Total Expenditures</b>	<b>17,627,934</b>	<b>18,166,819</b>	<b>18,001,575</b>	<b>165,244</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(698,980)</b>	<b>(781,292)</b>	<b>(614,783)</b>	<b>166,509</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Debt	330,000	330,000	330,000	-
Operating Transfers-In	-	13,477	13,477	-
Operating Transfers-Out	-	(33,182)	(33,121)	61
<b>Total Other Financing Sources (Uses)</b>	<b>330,000</b>	<b>310,295</b>	<b>310,356</b>	<b>61</b>
<b>Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses</b>	<b>(368,980)</b>	<b>(470,997)</b>	<b>(304,427)</b>	<b>166,570</b>
Fund Balance at Beginning of Year	313,556	313,556	313,556	-
Prior Year Encumbrances Appropriated	179,024	179,024	179,024	-
<b>Fund Balance at End of Year</b>	<b>\$ 123,600</b>	<b>\$ 21,583</b>	<b>\$ 188,153</b>	<b>\$ 166,570</b>

See accompanying notes to the basic financial statements.

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

STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2003

	Private Purpose Trust	Agency Funds
Assets:		
Equity in pooled cash and cash equivalents	\$ 15	\$ 70,999
Cash and Cash Equivalents:		
With Fiscal Agent	122,330	-
Total Assets	122,345	70,999
Liabilities:		
Due to students	-	70,999
Total Liabilities	-	\$ 70,999
Net Assets:		
Held in trust for scholarships	122,345	
Total Net Assets	\$ 122,345	

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, 2003

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Donations	\$ 7,372
Investment Earnings	<u>1,960</u>
Total Additions	<u>9,332</u>
Deductions:	
Payments in accordance with trust agreements	<u>4,660</u>
Total Deductions	<u>4,660</u>
Change in Net Assets	4,672
Net Assets Beginning of Year	<u>117,673</u>
Net Assets End of Year	<u><u>\$ 122,345</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, 2003

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### **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 275 employees who provide services to 2,651 students and other community members.

#### **Reporting Entity**

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

The primary government consists of all funds and departments, 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 18 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, 2003

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### ***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 General, Debt Service and Permanent Improvement Funds 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, 2003

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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.

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 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.

## SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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### *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. Private purpose trust 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, 2003, but which were levied to finance fiscal year 2004 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.

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.

## SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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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 2003.

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 and Cash Equivalents***

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

During fiscal year 2003, investments consisted of repurchase agreements and STAR Ohio.

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

The School District has invested funds in the State Treasury Assets Reserves of Ohio (STAR Ohio) during fiscal year 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2003.

## SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

The School District has allocated interest according to Ohio statutes. Interest revenue credited to the General Fund during fiscal year 2003 amounted to \$41,046, 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 non-major governmental funds and private purpose trust funds in the amounts of \$557 and \$1,960, respectively.

### ***G. Inventory***

On government-wide financial statements, inventories are presented at the lower cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

### ***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method and recording a current asset for the prepaid amount and reflecting the expenditure in the year in which services are consumed.

### ***I. 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.

### ***J. Fixed 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 fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of fifteen hundred dollars. 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.

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

***K. 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.

***L. 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.

***M. 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, 2003

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### *N. 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.

### *O. 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.

In addition, the School District has determined to maintain a budget stabilization account, and therefore, this account is shown on the fund financial statements as designated fund balance instead of reserved fund balance to indicate that the School District made the determination to set these funds aside.

## **NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND BALANCE**

### *A. Changes in Accounting Principles*

For fiscal year 2003, the School District has implemented GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures” and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements”.

GASB 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements combine the governmental activities into one column. The beginning net asset amount for governmental programs reflect the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to the new reporting model.



**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

***B. Restatement of Fund Balances/Retained Earnings***

The School District reclassified certain funds due to the implementation of GASB 34. The enterprise fund was reclassified as a special revenue fund. In the prior year, a capital lease payable was reported as a note payable and therefore reported as a fund liability. GASB Interpretation No. 6 redefined how liabilities should be recognized in governmental funds that resulted in certain liabilities to be reported as long-term instead as an actual fund liability.

These restatements had the following effect on fund balance of major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balance June 30, 2002	\$ (694,348)	665,208	(819,082)	223,862	(624,360)
Correction on Capital Lease	-	-	-	750,000	750,000
GASB 6 Interpretation	17,478	-	-	-	17,478
Reclassification of funds	-	-	-	(5,308)	(5,308)
Adjusted fund balance – June 30, 2002	<u>(676,870)</u>	<u>665,208</u>	<u>(819,082)</u>	<u>968,554</u>	137,810
GASB 34 Adjustments:					
Capital assets, net					14,589,893
Long-term liabilities					(124,472)
Long-term compensated absences					(1,046,125)
Energy conservation bonds payable					(372,000)
Capital leases payable					(1,248,870)
General obligation bonds payable					(6,801,155)
Long-term (deferred) assets					<u>142,126</u>
Governmental Activities Net Assets – June 30, 2002					\$ <u>5,277,207</u>

**NOTE 4 - ACCOUNTABILITY**

The following funds have fund equity deficits as of June 30, 2003:

	<u>Deficit Equity</u>
General Fund	\$ 1,033,103
Special Revenue Funds:	
Food Services	15,861
Title VI	545
Permanent Improvement Fund	500,172

The deficits in these funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be correct in early fiscal year 2004. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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**NOTE 5 - 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).
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	\$ (356,233)
Revenue Accruals	140,800
Expenditure Accruals	(276,475)
Note Proceeds	330,000
Transfers	6,524
Encumbrances	<u>(149,043)</u>
Budget Basis	<u>\$(304,427)</u>

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

## SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

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

Interim monies may be invested in the following obligations:

United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal governmental agencies or instrumentalities;

Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

Bonds and other obligations of the State of Ohio;

No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

The State Treasurer’s investment pool (STAR Ohio);

Certain bankers’ acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time;

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

**SUGARCREEK LOCAL SCHOOL DISTRICT**

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

Deposits

At fiscal year end, the carrying amount of the School District deposit was \$610,975 and the bank balance was \$1,180,196. Of the bank balance \$210,631 was covered by federal deposit insurance and the remaining amounts are collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.

Investments

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

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	\$ 740,000	740,000	\$ 740,000
STAR Ohio	-	<u>2,871</u>	<u>2,871</u>
<b>Total</b>	\$ 740,000	742,871	\$ 742,871

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

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

	Cash and Cash Equivalents	
	<u>Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 1,353,846	\$ -
Investments of the Cash Management Pool:		
Repurchase agreements	(740,000)	740,000
STAR Ohio	<u>(2,871)</u>	<u>2,871</u>
<b>GASB Statement 3</b>	<u>\$ 610,975</u>	<u>\$ 742,871</u>

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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**NOTE 7 - 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, 2003 was \$66.25 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2003 taxes were collected are as follows:

	<u>2003 First Half Collections</u>	<u>2002 Second Half Collections</u>
Agricultural/residential And other real estate	\$ 370,848,680	\$ 315,024,430
Public utility personal	14,549,950	13,638,300
Tangible personal property	<u>9,096,142</u>	<u>9,210,699</u>
Total	<u>\$ 394,494,772</u>	<u>\$ 337,873,429</u>

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2003. 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, 2003 was recognized as revenue.

The amount available as an advance at June 30 was \$580,949 in the General Fund, \$35,095 in the Bond Retirement Debt Service Fund and \$38,770 in the Permanent Improvement Capital Projects Fund. These amounts have been set aside as a reserve of fund balance.

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2003, 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, 2003 the only intergovernmental receivables recorded in the Miscellaneous Federal Grants special revenue fund in the amount of \$2,655. The receivable was related to various federal grants programs administered on by the Greene County Educational Service Center on-behalf of the School District.

**NOTE 9 – CAPITAL ASSETS**

The June 30, 2002 beginning balance of the School District's capital assets have been adjusted to reflect the results of an appraisal of the School District's property as well as the inclusion of the capital assets of the food service fund previously reported as an enterprise fund. A summary of these adjustments is as follows:

General Fixed Assets	<u>Balance at June 30, 2002</u>	<u>Adjustment for Corrections</u>	<u>Adjusted Balance at June 30, 2002</u>
Land	\$ 1,959,356	\$ 73,219	\$ 2,032,575
Land Improvements	978,614	319,194	1,297,808
Buildings and Improvements	15,719,073	-	15,719,073
Equipment	2,864,679	(548,155)	2,316,524
Vehicles	<u>2,240,330</u>	<u>11,481</u>	<u>2,251,811</u>
Totals	<u>\$ 23,762,052</u>	<u>\$ (144,261)</u>	<u>\$ 23,617,791</u>

	Balance 6/30/02	Additions	Deductions	Balance 6/30/03
<b><u>Capital Assets, not being depreciated</u></b>				
Land	<u>\$ 2,032,575</u>	<u>\$ 1,399,480</u>	<u>\$ -</u>	<u>\$ 3,432,055</u>
<b><u>Capital Assets, being depreciated</u></b>				
Land Improvements	1,297,808	-	-	1,297,808
Buildings and Improvements	15,719,073	1,149,550	-	16,868,623
Furniture and Equipment	2,316,524	67,518	(93,383)	2,290,659
Vehicles	2,251,811	8,707	-	2,260,518
	<u>21,585,216</u>	<u>1,225,775</u>	<u>(93,383)</u>	<u>22,717,608</u>
<b><u>Less: Accumulated Depreciation</u></b>				
Land Improvements	(615,430)	(45,969)	-	(661,399)
Buildings and Improvements	(5,246,868)	(457,926)	-	(5,704,794)
Furniture and Equipment	(1,745,329)	(100,562)	93,383	(1,752,508)
Vehicles	(1,420,271)	(215,828)	-	(1,636,099)
	<u>(9,027,898)</u>	<u>(820,285)</u>	<u>* 93,383</u>	<u>( 9,754,800)</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,589,893</u>	<u>\$ 1,804,970</u>	<u>\$ -</u>	<u>\$ 16,394,863</u>

# SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

Instruction:		
Regular	\$	62,285
Support Services:		
Administration		6,620
Operation and Maintenance of Plant		3,160
Pupil Transportation		239,217
Operation of Non-Instructional Services		17,935
Extracurricular Activities		36,410
		<u>365,627</u>
Unallocated Depreciation		454,658
Total Depreciation Expense	\$	<u>820,285</u>

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 10 - 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 2003, the School District contracted with Indiana Insurance Company for building and business property insurance. This policy has a limit of insurance in the amount of \$36,962,522 for property and a \$1,000 deductible. Boiler and Crime are included in the policy. Fleet insurance has a \$250,000 limit of liability and a variable deductible between zero and \$1,000. General liability insurance is under Nationwide Insurance and has a \$2,000,000 per occurrence and \$5,000,000 aggregate limitation. The superintendent, treasurer and board president are all bonded separately. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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, 2003

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### **NOTE 11 - 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.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The 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 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 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, 2003, 2002 and 2001 were \$364,198, \$380,020 and \$321,527 respectively; 37.2 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

#### ***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

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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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, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% 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, 2003, 2002, and 2001 were \$1,151,843, \$1,172,656, and \$1,150,520 respectively; 82.7 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

### *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, 2003, one member of the Board of Education has elected social security. The School District's liability is 6.2 percent of wages paid.

### **NOTE 12 – 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, 2003, 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 \$3.011 billion on June 30, 2002. For the School District, this amount equaled \$82,274 during the 2003 fiscal year.

For the year ended June 30, 2002, net health care costs paid by STRS Ohio were \$354,697,000. There were 105,300 eligible benefit recipients.

## SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, the allocation rate is 5.83 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 2003, the minimum pay has been established at \$12,400. For the School, the amount to fund health care benefits, including the surcharge, was \$257,844 for fiscal year 2003.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2002, were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, the Retirement System's net assets available for payment of health care benefits of \$335.2 million. The number of benefit recipients currently receiving health care benefits is approximately 50,000.

### **NOTE 13 – 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 \$75,033 at June 30, 2003.

##### 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, 2003 was \$734,525.

##### 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 \$34,490 at June 30, 2003.

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

**NOTE 14 - LONG-TERM OBLIGATIONS**

Long- term obligations at June 30, 2003 were as follows:

	Balance June 30, 2002	Increase	Decrease	Balance June 30, 2003	Due within One Year
General Obligation Bonds:					
1994 School Construction:					
Current Interest 2.45-5.15%	\$5,385,000	\$ -	\$440,000	\$ 4,945,000	\$ 460,000
Capital Appreciation 5-5.3%	1,414,013	102,946	-	1,516,959	
1999 Computer Acquisition Bonds 4.55%	2,142	-	2,142	-	-
Total General Obligation Bonds	6,801,155	102,946	442,142	6,461,959	460,000
Energy Conservation Loan Payable	372,000	-	145,500	226,500	75,500
Compensated Absences	1,046,125	-	210,996	835,129	25,000
Capital Lease Obligation	1,248,870	1,400,000	168,265	2,480,605	286,388
Intergovernmental Payable	124,472	121,216	124,472	121,216	121,216
Total General Long-Term Obligations	\$9,592,622	\$1,624,162	\$1,091,375	\$10,125,409	\$968,104

The School District's voted legal debt margin was \$29,125,409 and an unvoted debt margin of \$394,495 at June 30, 2003.

The general obligation bond issue will be paid through the debt service fund from property taxes collected by the County Auditor. The District issued general obligation debt for the following purposes:

- 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 2003, \$102,946 was accreted for a total bond value of \$1,516,959.

Principal and interest requirements to retire the District's long-term general obligation bonds outstanding at June 30, 2003 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2004	\$ 460,000	\$ 237,978	\$ 697,978
2005	480,000	217,058	697,058
2006	421,999	284,259	706,258
2007	391,986	317,265	709,251
2008	364,954	344,177	709,131
2009 – 13	2,503,020	939,310	3,442,330
2014 - 16	1,840,000	140,338	1,980,338
Total	\$ 6,461,959	\$ 2,480,385	\$ 8,942,344

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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 2004.

Principal and interest requirements to retire the long-term energy conservation bonds outstanding at June 30, 2003 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2004	\$ 75,500	\$ 12,005	\$ 87,505
2005	75,500	8,004	83,504
2006	75,500	4,002	79,502
Total	<u>\$ 226,500</u>	<u>\$ 24,011</u>	<u>\$ 250,511</u>

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.

**NOTE 15 – SHORT-TERM OBLIGATION**

The following is a summary of the note activity for the District at June 30, 2003:

	Balance 6/30/02	Increase	Decrease	Balance 6/30/03
1998 Tax Anticipation Note	580,000	290,000	580,000	290,000
2002 Bus Facility Note	330,000	-	330,000	-
2003 Bus Facility Note	-	330,000	-	330,000

In FY 2000 the District issued a five-year tax anticipation note for various permanent improvements of the School District's school buildings. The debt will be repaid from proceeds of a tax levy collected by the County Auditor. The bus facility notes were originally issued in FY 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.

**NOTE 16 - CAPITAL LEASES - LESSEE DISCLOSURE**

During the year, the School District entered into a capitalized lease for the purchase of land for a new school facility. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The capital outlay expenditure was recorded in the permanent improvement fund. The issuance of the capital lease was recording the proceeds as inception of capital lease. Capital lease payments will be reflected as debt service expenditures in the basic financial statements for the governmental funds. In prior years, the School District entered into several other leases deemed to be capital leases.

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

Capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$2,277,771, 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 2003 totaled \$168,265.

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, 2003.

<u>Fiscal Year Ending June 30,</u>	<u>General Long- Term Debt</u>
2004	\$ 331,186
2005	251,926
2006	102,548
2007	102,548
2008	1,502,549
2009 - 2012	<u>385,532</u>
Total Minimum Lease Payments	2,676,289
Less: Amount Representing Interest	<u>(195,684)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,480,605</u>

**NOTE 17 - INTERFUND ACTIVITY**

During the year ended June 30, 2003, the School District provided temporary operating cash to the Title VI grant special revenue fund in the amount of \$ 545, and has been recorded as an interfund receivable in the General Fund. These funds will be repaid once grant receipts are received in fiscal year 2004.

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:	Food Service Fund	\$ 19,644
	Permanent Improvement Fund	20,001
Bond Retirement Fund	Permanent Improvement Fund	289,428
	General Fund	<u>13,477</u>
	Total Transfers Out/In	<u>\$ 342,550</u>

The transfer from the General Fund to the Food Service Fund was to provide operating resources for the operation of the program. The remaining transfers were to account for the payment of short-term debt recorded in the Permanent Improvement Fund but the repayment of the debt was made from the Bond Retirement and General Funds.

## SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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### **NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS**

#### *Miami Valley Educational Computer Association*

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

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

#### *Southwestern Ohio Educational Purchasing Cooperative*

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

#### *Greene County Career Center*

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

#### *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, 2003

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**NOTE 19 - 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, 2003.

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 20 - 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 21 - 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, 2002	\$ (568,429)	\$ -	\$ (568,429)
Current Year Set-aside Requirement	334,472	334,472	668,944
Qualifying Disbursements	(532,253)	(2,518,301)	(3,050,554)
Total	<u>\$ (766,210)</u>	<u>\$ (2,183,829)</u>	<u>\$(2,950,039)</u>
Balance Carried forward to FY 2004	<u>\$ (766,210)</u>	<u>\$ -</u>	

**SUGARCREEK LOCAL SCHOOL DISTRICT**

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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Although the School District had qualifying disbursements during the year that reduced the set-aside below zero for capital acquisition, the extra amounts may not be used to reduce the set-aside requirements of future years.

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

**NOTE 22 – SUBSEQUENT EVENTS**

In May 2003, the voters within the School District approved a bond issue for the construction of a new middle school facility. In July 2003, the School District issued approximately \$44 million of bond anticipation notes to provide financing for the project. These notes were repaid in October 2003 when the School District issued \$44 million in school facilities construction bonds. These bonds will be repaid over the next 20 fiscal years with the tax proceeds provided by the tax levy approved by voters.



## Combining Statements – Nonmajor Governmental Funds

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### **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.

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#### 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 II Grant

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

## Combining Statements – Nonmajor Governmental Funds

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### Nonmajor Special Revenue Funds (Continued)

#### 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.

#### Title I Grant

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

#### Title VI Grant

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

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

#### Title VI-R Grant

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

#### School to Work Grant

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

#### Miscellaneous Federal Grants

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

#### Food Service Fund

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

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### 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

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#### Building

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

## Combining Statements – Nonmajor Governmental Funds

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### **Nonmajor Capital Project Funds (Continued)**

#### 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.

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 290,779	\$ 5,370	\$ 296,149
Cash and Cash Equivalents with Fiscal Agent	-	5,308	5,308
Receivables:			
Intergovernmental	2,655	-	2,655
Total Assets	\$ 293,434	\$ 10,678	\$ 304,112
<u>Liabilities and Fund Balance:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 18,481	\$ -	\$ 18,481
Interfund Payable	545	-	545
Deferred Revenue	2,655	-	2,655
Total Liabilities	21,681	-	21,681
<u>Fund Balance</u>			
Reserved for Encumbrances	66,844	1,891	68,735
Unreserved	204,909	8,787	213,696
Total Fund Balance	271,753	10,678	282,431
Total Liabilities and Fund Balance	\$ 293,434	\$ 10,678	\$ 304,112

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003

	Public School Support	Foundation Grants	District Managed Student Activities	Management Information Systems
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 91,456	\$ 416	\$ 192,017	\$ -
Intergovernmental Receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 91,456</b>	<b>\$ 416</b>	<b>\$ 192,017</b>	<b>\$ -</b>
<u>Liabilities and Fund Balance:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Fund Balance:</u>				
Reserved for Encumbrances	11,750	-	55,094	-
Unreserved	79,706	416	136,923	-
<b>Total Fund Balance</b>	<b>\$ 91,456</b>	<b>\$ 416</b>	<b>\$ 192,017</b>	<b>\$ -</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 91,456</b>	<b>\$ 416</b>	<b>\$ 192,017</b>	<b>\$ -</b>

<u>Data Communications</u>	<u>School Net Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention Grant</u>	<u>Safe School Helpline</u>	<u>Title II Grant</u>
\$ -	\$ 2,775	\$ -	\$ 948	\$ 92	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,775</u>	<u>\$ -</u>	<u>\$ 948</u>	<u>\$ 92</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,775	-	948	92	-
<u>\$ -</u>	<u>\$ 2,775</u>	<u>\$ -</u>	<u>\$ 948</u>	<u>\$ 92</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 2,775</u>	<u>\$ -</u>	<u>\$ 948</u>	<u>\$ 92</u>	<u>\$ -</u>

(Continued)

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2003  
(Continued)

	Title VI-B Grant	Title I Grant	Title VI Grant	Drug Free Schools Grant
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Intergovernmental Receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<u>Liabilities and Fund Balance:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	545	-
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>545</b>	<b>-</b>
<u>Fund Balance:</u>				
Reserved for Encumbrances	-	-	-	-
Unreserved	-	-	(545)	-
<b>Total Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (545)</b>	<b>\$ -</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



<u>Title VI-R Grant</u>	<u>School to Work Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>Total</u>
\$ -	\$ 1,589	\$ -	\$ 1,486	\$ 290,779
-	-	2,655	-	2,655
<u>\$ -</u>	<u>\$ 1,589</u>	<u>\$ 2,655</u>	<u>\$ 1,486</u>	<u>\$ 293,434</u>
\$ -	\$ 1,134	\$ -	\$ 17,347	\$ 18,481
-	-	-	-	545
-	-	2,655	-	2,655
<u>-</u>	<u>1,134</u>	<u>2,655</u>	<u>17,347</u>	<u>21,681</u>
-	-	-	-	66,844
-	455	-	(15,861)	204,909
<u>\$ -</u>	<u>\$ 455</u>	<u>\$ -</u>	<u>\$ (15,861)</u>	<u>\$ 271,753</u>
<u>\$ -</u>	<u>\$ 1,589</u>	<u>\$ 2,655</u>	<u>\$ 1,486</u>	<u>\$ 293,434</u>

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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2003

	Building	School Net Plus	Video Distance Learning	Community Gym Project	Total
<u>Assets:</u>					
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ 5,370	\$ -	\$ 5,370
Cash and Cash Equivalents: With Fiscal Agent	-	-	-	5,308	5,308
Total Assets and Other Debits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,370</u>	<u>\$ 5,308</u>	<u>\$ 10,678</u>
<u>Liabilities and Fund Balance:</u>					
Total Liabilities	-	-	-	-	-
Fund Balance					
Reserved for Encumbrances	-	-	1,891	-	1,891
Unreserved	-	-	3,479	5,308	8,787
Total Fund Equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,370</u>	<u>\$ 5,308</u>	<u>\$ 10,678</u>
Total Liabilities and Fund Equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,370</u>	<u>\$ 5,308</u>	<u>\$ 10,678</u>

**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, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 458,107	\$ 39,467	\$ 497,574
Student Sales	392,883	-	392,883
Interest	454	103	557
Tuition and Fees	78,064	-	78,064
Extracurricular Activities	463,954	-	463,954
Miscellaneous	48,101	-	48,101
	<u>1,441,563</u>	<u>39,570</u>	<u>1,481,133</u>
Total Revenues			
Expenditures:			
Current:			
Instruction:			
Regular	31,714	39,467	71,181
Special	63,242	-	63,242
Vocational	109	-	109
Support Services:			
Pupils	16,391	-	16,391
Instructional Staff	331,955	19,301	351,256
Fiscal	193	5,000	5,193
Plant Operation and Maintenance	2,154	3,809	5,963
Pupil Transportation	1,259	22,059	23,318
Central	1,941	-	1,941
Non-Instructional Services	481,198	-	481,198
Extracurricular Activities	496,653	-	496,653
Capital Outlay	-	670,455	670,455
	<u>1,426,809</u>	<u>760,091</u>	<u>2,186,900</u>
Total Expenditures			
Excess of Revenues Over(Under) Expenditures	14,754	(720,521)	(705,767)
Other Financing Sources:			
Operating Transfers-In	19,644	-	19,644
	<u>19,644</u>	<u>-</u>	<u>19,644</u>
Total Other Financing Sources			
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	34,398	(720,521)	(686,123)
Fund Balance at Beginning of Year - Restated	237,355	731,199	968,554
Fund Balance at End of Year	<u>\$ 271,753</u>	<u>\$ 10,678</u>	<u>\$ 282,431</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Public School Support	Foundation Grants	District Managed Student Activities	Management Information Systems
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 9,924
Student Sales	-	-	-	-
Interest	309	-	-	-
Tuition and Fees	32,356	-	45,708	-
Extracurricular Activities	123,674	-	340,280	-
Miscellaneous	34,992	-	13,109	-
Total Revenues	<u>191,331</u>	<u>-</u>	<u>399,097</u>	<u>9,924</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Vocational	-	109	-	-
Support Services:				
Pupils	16,391	-	-	-
Instructional Staff	24,970	-	-	-
Fiscal	-	-	-	-
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	1,941
Non-Instructional Services	-	-	-	-
Extracurricular Activities	85,810	-	410,843	-
Total Expenditures	<u>127,171</u>	<u>109</u>	<u>410,843</u>	<u>1,941</u>
Excess of Revenues Over(Under) Expenditures	64,160	(109)	(11,746)	7,983
Other Financing Sources:				
Operating Transfers-In	-	-	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	64,160	(109)	(11,746)	7,983
Fund Balance at Beginning of Year	<u>27,296</u>	<u>525</u>	<u>203,763</u>	<u>(7,983)</u>
Fund Balance at End of Year	<u>\$ 91,456</u>	<u>\$ 416</u>	<u>\$ 192,017</u>	<u>\$ -</u>



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

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003  
(Continued)

	Title VI-B Grant	Title I Grant	Title VI Grant	Drug Free Schools Grant
Revenues:				
Intergovernmental	\$ 198,598	\$ 37,316	\$ 14,188	\$ 6,907
Student Sales	-	-	-	-
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>198,598</u>	<u>37,316</u>	<u>14,188</u>	<u>6,907</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	37,316	14,367	-
Vocational	-	-	-	-
Support Services:				
Pupils	-	-	-	-
Instructional Staff	198,598	-	-	6,907
Fiscal	-	-	-	-
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>198,598</u>	<u>37,316</u>	<u>14,367</u>	<u>6,907</u>
Excess of Revenues Over(Under) Expenditures	-	-	(179)	-
Other Financing Sources:				
Operating Transfers-In	-	-	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	-	-	(179)	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>(366)</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (545)</u>	<u>\$ -</u>

Title VI-R Grant	School to Work Grant	Miscellaneous Federal Grants	Food Service	Total
\$ 44,331	\$ 16,967	\$ 16,518	\$ 58,166	\$ 458,107
-	-	-	392,883	392,883
-	-	-	145	454
-	-	-	-	78,064
-	-	-	-	463,954
-	-	-	-	48,101
<u>44,331</u>	<u>16,967</u>	<u>16,518</u>	<u>451,194</u>	<u>1,441,563</u>
6,300	1,022	-	-	31,714
-	1,134	-	-	63,242
-	-	-	-	109
-	-	-	-	16,391
38,031	14,356	16,518	-	331,955
-	-	-	193	193
-	-	-	-	2,154
-	-	-	-	1,259
-	-	-	-	1,941
-	-	-	481,198	481,198
-	-	-	-	496,653
<u>44,331</u>	<u>16,512</u>	<u>16,518</u>	<u>481,391</u>	<u>1,426,809</u>
-	455	-	(30,197)	14,754
-	-	-	19,644	19,644
-	455	-	(10,553)	34,398
-	-	-	(5,308)	237,355
<u>\$ -</u>	<u>\$ 455</u>	<u>\$ -</u>	<u>\$ (15,861)</u>	<u>\$ 271,753</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Building	School Net Plus	Video Distance Learning	Community Gym Project	Total
Revenues:					
Intergovernmental	-	39,467	-	-	39,467
Interest	-	-	-	103	103
Total Revenues	-	39,467	-	103	39,570
Expenditures:					
Current:					
Instruction:					
Regular	-	39,467	-	-	39,467
Support Services:					
Instructional Staff	-	-	19,301	-	19,301
Fiscal	-	-	-	5,000	5,000
Plant Operation and Maintenance	3,809	-	-	-	3,809
Pupil Transportation	22,059	-	-	-	22,059
Capital Outlay	670,455	-	-	-	670,455
Total Expenditures	696,323	39,467	19,301	5,000	760,091
Excess of Revenues Over(Under) Expenditures	(696,323)	-	(19,301)	(4,897)	(720,521)
Fund Balance at Beginning of Year	696,323	-	24,671	10,205	731,199
Fund Balance at End of Year	\$ -	\$ -	\$ 5,370	\$ 5,308	\$ 10,678



## Combining Statements – Fiduciary Funds

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### **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.

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#### 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.

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### **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.

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#### 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. Since this is the only agency fund at the School District, no individual fund information is presented.

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

COMBINING STATEMENT OF NET ASSETS  
PRIVATE-PURPOSE TRUST FUNDS  
JUNE 30, 2003

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 15	\$ -	\$ 15
Cash and Cash Equivalents:			
With Fiscal Agent	2,517	119,813	122,330
Total Assets	2,532	119,813	122,345
Net Assets:			
Held in trust for scholarships	2,532	119,813	122,345
Total Net Assets	\$ 2,532	\$ 119,813	\$ 122,345

**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, 2003

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Additions:			
Gifts and Donations	\$ 585	\$ 6,787	\$ 7,372
Investment Earnings	96	1,864	1,960
Total Additions	681	8,651	9,332
Deductions:			
Payments in accordance with trust agreements	2,160	2,500	4,660
Total Deductions	2,160	2,500	4,660
Change in Net Assets	(1,479)	6,151	4,672
Net Assets Beginning of Year	4,011	113,662	117,673
Net Assets End of Year	\$ 2,532	\$ 119,813	\$ 122,345

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**Individual Fund Schedules of Revenues, Expenditures and  
Changes in Fund Balance – Budget (Non-GAAP) and Actual**

**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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 1,039,381	\$ 759,257	\$ 759,257	\$ -
Intergovernmental	100,619	73,501	73,501	-
<b>Total Revenues</b>	<b>1,140,000</b>	<b>832,758</b>	<b>832,758</b>	<b>-</b>
Expenditures:				
Current:				
Support Services:				
Fiscal	11,900	11,900	9,766	2,134
Debt Service:				
Principal Retirement	734,449	734,449	734,380	69
Interest and Fiscal Charges	277,296	276,859	276,858	1
<b>Total Expenditures</b>	<b>1,023,645</b>	<b>1,023,208</b>	<b>1,021,004</b>	<b>2,204</b>
Excess of Revenues Over(Under) Expenditures	116,355	(190,450)	(188,246)	2,204
Other Financing Sources (Uses):				
Operating Transfers-In	-	6,380	6,380	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>6,380</b>	<b>6,380</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	116,355	(184,070)	(181,866)	2,204
Fund Balance at Beginning of Year	607,470	607,470	607,470	-
Prior Year Encumbrances Appropriated	437	437	437	-
<b>Fund Balance at End of Year</b>	<b>\$ 724,262</b>	<b>\$ 423,837</b>	<b>\$ 426,041</b>	<b>\$ 2,204</b>

**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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 532,825	\$ 430,195	\$ 430,195	\$ -
Intergovernmental	88,183	71,186	71,186	-
<b>Total Revenues</b>	<b>621,008</b>	<b>501,381</b>	<b>501,381</b>	<b>-</b>
Expenditures:				
Current:				
Support Services:				
Pupils	-	430	430	-
Administration	-	1,468	1,468	-
Fiscal	9,300	9,619	9,607	12
Plant Operation and Maintenance	86,000	182,162	182,158	4
Pupil Transportation	-	4,842	4,842	-
Extracurricular Activities	59,854	27,811	26,639	1,172
Capital Outlay	181,422	1,647,656	1,647,643	13
<b>Total Expenditures</b>	<b>336,576</b>	<b>1,873,988</b>	<b>1,872,787</b>	<b>1,201</b>
Excess of Revenues Over(Under) Expenditures	284,432	(1,372,607)	(1,371,406)	1,201
Other Financing Sources (Uses):				
Inception of Capital Lease	-	1,400,000	1,400,000	-
Operating Transfers-Out	-	(6,380)	(6,380)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,393,620</b>	<b>1,393,620</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	284,432	21,013	22,214	1,201
Fund Balance at Beginning of Year	17,512	17,512	17,512	-
Prior Year Encumbrances Appropriated	24,855	24,855	24,855	-
<b>Fund Balance at End of Year</b>	<b>\$ 326,799</b>	<b>\$ 63,380</b>	<b>\$ 64,581</b>	<b>\$ 1,201</b>

**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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Interest	\$ 197	\$ 309	\$ 309	\$ -
Tuition and Fees	20,598	32,356	32,356	-
Extracurricular Activities	78,731	123,674	123,674	-
Miscellaneous	22,260	34,967	34,967	-
<b>Total Revenues</b>	<b>121,786</b>	<b>191,306</b>	<b>191,306</b>	<b>-</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Pupils	13,780	17,310	16,391	919
Instructional Staff	5,039	25,623	24,973	650
Extracurricular Activities	117,427	121,835	97,560	24,275
<b>Total Expenditures</b>	<b>136,246</b>	<b>164,768</b>	<b>138,924</b>	<b>25,844</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(14,460)</b>	<b>26,538</b>	<b>52,382</b>	<b>25,844</b>
<b>Other Financing Sources:</b>				
Refund of Prior Year Expenditures	-	25	25	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>25</b>	<b>25</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over(Under) Expenditures</b>	<b>(14,460)</b>	<b>26,563</b>	<b>52,407</b>	<b>25,844</b>
Fund Balance at Beginning of Year	21,477	21,477	21,477	-
Prior Year Encumbrances Appropriated	5,822	5,822	5,822	-
<b>Fund Balance at End of Year</b>	<b>\$ 12,839</b>	<b>\$ 53,862</b>	<b>\$ 79,706</b>	<b>\$ 25,844</b>



**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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 4,475	\$ -	\$ -	\$ -
Total Revenues	<u>4,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Vocational	<u>5,000</u>	<u>525</u>	<u>109</u>	<u>416</u>
Total Expenditures	<u>5,000</u>	<u>525</u>	<u>109</u>	<u>416</u>
Excess of Revenues Over(Under) Expenditures	(525)	(525)	(109)	416
Fund Balance at Beginning of Year	<u>525</u>	<u>525</u>	<u>525</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416</u>	<u>\$ 416</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Tuition and Fees	\$ 31,876	\$ 45,708	\$ 45,708	\$ -
Extracurricular Activities	237,306	340,280	340,280	-
Miscellaneous	9,044	12,967	12,967	-
<b>Total Revenues</b>	<b>278,226</b>	<b>398,955</b>	<b>398,955</b>	<b>-</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Extracurricular Activities	482,109	478,510	466,057	12,453
<b>Total Expenditures</b>	<b>482,109</b>	<b>478,510</b>	<b>466,057</b>	<b>12,453</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(203,883)</b>	<b>(79,555)</b>	<b>(67,102)</b>	<b>12,453</b>
<b>Other Financing Sources (Uses):</b>				
Refund of Prior Year Expenditures	-	142	142	-
Operating Transfers-In	-	3,008	3,008	-
Operating Transfers-Out	-	(4,000)	(3,008)	992
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(850)</b>	<b>142</b>	<b>992</b>
<b>Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses</b>	<b>(203,883)</b>	<b>(80,405)</b>	<b>(66,960)</b>	<b>13,445</b>
Fund Balance at Beginning of Year	159,535	159,535	159,535	-
Prior Year Encumbrances Appropriated	44,348	44,348	44,348	-
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ 123,478</b>	<b>\$ 136,923</b>	<b>\$ 13,445</b>

**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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 9,924	\$ 9,924	\$ -
Total Revenues	-	9,924	9,924	-
Expenditures:				
Current:				
Support Services:				
Pupils	1,971	6,870	6,870	-
Central	-	5,025	5,025	-
Total Expenditures	1,971	11,895	11,895	-
Excess of Revenues Over(Under) Expenditures	(1,971)	(1,971)	(1,971)	-
Fund Balance at Beginning of Year	1,971	1,971	1,971	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

**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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	-	2,144	2,144	-
Total Expenditures	-	2,144	2,144	-
Excess of Revenues Over(Under) Expenditures	-	(2,144)	(2,144)	-
Fund Balance at Beginning of Year	2,144	2,144	2,144	-
Fund Balance at End of Year	<u>\$ 2,144</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,900	\$ 4,600	\$ 4,600	\$ -
Total Revenues	<u>1,900</u>	<u>4,600</u>	<u>4,600</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>7,269</u>	<u>9,969</u>	<u>7,194</u>	<u>2,775</u>
Total Expenditures	<u>7,269</u>	<u>9,969</u>	<u>7,194</u>	<u>2,775</u>
Excess of Revenues Over(Under) Expenditures	(5,369)	(5,369)	(2,594)	2,775
Fund Balance at Beginning of Year	3,469	3,469	3,469	-
Prior Year Encumbrances Appropriated	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,775</u>	<u>\$ 2,775</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 41,646	\$ 36,000	\$ 36,000	\$ -
Total Revenues	<u>41,646</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	36,381	26,369	26,369	-
Support Services:				
Instructional Staff	<u>20,625</u>	<u>24,991</u>	<u>24,991</u>	<u>-</u>
Total Expenditures	<u>57,006</u>	<u>51,360</u>	<u>51,360</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	(15,360)	(15,360)	(15,360)	-
Fund Balance at Beginning of Year	3,714	3,714	3,714	-
Prior Year Encumbrances Appropriated	<u>11,646</u>	<u>11,646</u>	<u>11,646</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 12,038	\$ 11,512	\$ 11,512	\$ -
Total Revenues	<u>12,038</u>	<u>11,512</u>	<u>11,512</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	11,558	11,292	10,424	868
Support Services:				
Pupil Transportation	<u>1,600</u>	<u>1,340</u>	<u>1,260</u>	<u>80</u>
Total Expenditures	<u>13,158</u>	<u>12,632</u>	<u>11,684</u>	<u>948</u>
Excess of Revenues Over(Under) Expenditures	(1,120)	(1,120)	(172)	948
Fund Balance at Beginning of Year	595	595	595	-
Prior Year Encumbrances Appropriated	<u>525</u>	<u>525</u>	<u>525</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 948</u>	<u>\$ 948</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 2,245	\$ 2,245	\$ -
Total Revenues	-	2,245	2,245	-
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	-	2,290	2,198	92
Total Expenditures	-	2,290	2,198	92
Excess of Revenues Over(Under) Expenditures	-	(45)	47	92
Fund Balance at Beginning of Year	45	45	45	-
Fund Balance at End of Year	\$ 45	\$ -	\$ 92	\$ 92



**SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**TITLE II GRANT - BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 835	\$ 835	\$ 835	\$ -
Total Revenues	<u>835</u>	<u>835</u>	<u>835</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>835</u>	<u>835</u>	<u>835</u>	<u>-</u>
Total Expenditures	<u>835</u>	<u>835</u>	<u>835</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**  
**TITLE VI-B GRANT - BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 198,598	\$ 198,598	\$ 198,598	\$ -
Total Revenues	<u>198,598</u>	<u>198,598</u>	<u>198,598</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	60,000	-	-	-
Support Services:				
Instructional Staff	<u>138,598</u>	<u>198,598</u>	<u>198,598</u>	<u>-</u>
Total Expenditures	<u>198,598</u>	<u>198,598</u>	<u>198,598</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 I GRANT - BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 37,316	\$ 37,316	\$ 37,316	\$ -
Total Revenues	<u>37,316</u>	<u>37,316</u>	<u>37,316</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	<u>37,316</u>	<u>37,316</u>	<u>37,316</u>	<u>-</u>
Total Expenditures	<u>37,316</u>	<u>37,316</u>	<u>37,316</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 GRANT - BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 14,188	\$ 14,188	\$ 14,188	\$ -
Total Revenues	<u>14,188</u>	<u>14,188</u>	<u>14,188</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	<u>14,367</u>	<u>14,367</u>	<u>14,367</u>	<u>-</u>
Total Expenditures	<u>14,367</u>	<u>14,367</u>	<u>14,367</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	(179)	(179)	(179)	-
Fund Balance at Beginning of Year	<u>179</u>	<u>179</u>	<u>179</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**  
**DRUG FREE SCHOOLS PROGRAM - BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 6,907	\$ 6,907	\$ 6,907	\$ -
Total Revenues	<u>6,907</u>	<u>6,907</u>	<u>6,907</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>6,907</u>	<u>6,907</u>	<u>6,907</u>	<u>-</u>
Total Expenditures	<u>6,907</u>	<u>6,907</u>	<u>6,907</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**  
**TITLE VI-R GRANT - BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 44,331	\$ 44,331	\$ 44,331	\$ -
Total Revenues	<u>44,331</u>	<u>44,331</u>	<u>44,331</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	6,300	6,300	-
Support Services:				
Instructional Staff	<u>44,331</u>	<u>38,031</u>	<u>38,031</u>	<u>-</u>
Total Expenditures	<u>44,331</u>	<u>44,331</u>	<u>44,331</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**  
**SCHOOL TO WORK GRANT - BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,022	\$ 16,967	\$ 16,967	\$ -
Total Revenues	<u>1,022</u>	<u>16,967</u>	<u>16,967</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,022	1,022	1,022	-
Special	<u>-</u>	<u>15,945</u>	<u>14,356</u>	<u>1,589</u>
Total Expenditures	<u>1,022</u>	<u>16,967</u>	<u>15,378</u>	<u>1,589</u>
Excess of Revenues Over(Under) Expenditures	-	-	1,589	1,589
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>\$ 1,589</u>	<u>\$ 1,589</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 75,659	\$ 58,166	\$ 58,166	\$ -
Interest	188	145	145	-
Charges for Services	510,463	392,442	392,883	441
<b>Total Revenues</b>	<b>586,310</b>	<b>450,753</b>	<b>451,194</b>	<b>441</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Fiscal	-	195	193	2
Non-Instructional Services	595,000	595,000	477,849	117,151
<b>Total Expenditures</b>	<b>595,000</b>	<b>595,195</b>	<b>478,042</b>	<b>117,153</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(8,690)</b>	<b>(144,442)</b>	<b>(26,848)</b>	<b>117,594</b>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers-In	-	19,644	19,644	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>19,644</b>	<b>19,644</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses</b>	<b>(8,690)</b>	<b>(124,798)</b>	<b>(7,204)</b>	<b>117,594</b>
<b>Fund Balance at Beginning of Year</b>	<b>8,690</b>	<b>8,690</b>	<b>8,690</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ (116,108)</b>	<b>\$ 1,486</b>	<b>\$ 117,594</b>



**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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	-	3,809	3,809	-
Pupil Transportation	-	22,059	22,059	-
Capital Outlay	824,468	670,455	670,455	-
Total Expenditures	824,468	696,323	696,323	-
Excess of Revenues Over(Under) Expenditures	(824,468)	(696,323)	(696,323)	-
Other Financing Sources (Uses):				
Operating Transfers-In	128,145	-	-	-
Total Other Financing Sources (Uses)	128,145	-	-	-
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(696,323)	(696,323)	(696,323)	-
Fund Balance at Beginning of Year	568,178	568,178	568,178	-
Prior Year Encumbrances Appropriated	128,145	128,145	128,145	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

**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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 39,467	\$ 39,467	\$ 39,467	\$ -
Total Revenues	<u>39,467</u>	<u>39,467</u>	<u>39,467</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>39,467</u>	<u>39,467</u>	<u>39,467</u>	<u>-</u>
Total Expenditures	<u>39,467</u>	<u>39,467</u>	<u>39,467</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	24,670	24,670	21,191	3,479
Total Expenditures	24,670	24,670	21,191	3,479
Excess of Revenues Over(Under) Expenditures	(24,670)	(24,670)	(21,191)	3,479
Fund Balance at Beginning of Year	24,670	24,670	24,670	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,479</u>	<u>\$ 3,479</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	100	124	103	(21)
Total Revenues	100	124	103	(21)
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over(Under) Expenditures	100	124	103	(21)
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(10,289)	(5,000)	5,289
Total Other Financing Sources (Uses)	-	(10,289)	(5,000)	5,289
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	100	(10,165)	(4,897)	5,268
Fund Balance at Beginning of Year	10,205	10,205	10,205	-
Fund Balance at End of Year	<u>\$ 10,305</u>	<u>\$ 40</u>	<u>\$ 5,308</u>	<u>\$ 5,268</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 6,723	\$ 2,342	\$ 2,342	\$ -
Interest	100	19	97	78
Total Revenues	<u>6,823</u>	<u>2,361</u>	<u>2,439</u>	<u>78</u>
Expenses:				
Student Scholarships	<u>3,731</u>	<u>3,731</u>	<u>3,080</u>	<u>651</u>
Total Expenses	<u>3,731</u>	<u>3,731</u>	<u>3,080</u>	<u>651</u>
Excess of Revenues Over(Under) Expenses	<u>3,092</u>	<u>(1,370)</u>	<u>(641)</u>	<u>729</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	<u>-</u>	<u>(1,757)</u>	<u>(1,757)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,757)</u>	<u>(1,757)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenses and Other Financing Uses	3,092	(3,127)	(2,398)	729
Fund Equity at Beginning of Year	3,482	3,482	3,482	-
Prior Year Encumbrances Appropriated	<u>940</u>	<u>940</u>	<u>940</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 7,514</u>	<u>\$ 1,295</u>	<u>\$ 2,024</u>	<u>\$ 729</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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 1,700	\$ 6,787	\$ 6,787	\$ -
Interest	2,500	2,342	1,865	(477)
Total Revenues	<u>4,200</u>	<u>9,129</u>	<u>8,652</u>	<u>(477)</u>
Expenses:				
Student Scholarships	4,200	4,200	3,900	300
Total Expenses	<u>4,200</u>	<u>4,200</u>	<u>3,900</u>	<u>300</u>
Excess of Revenues Over(Under) Expenses	-	4,929	4,752	(177)
Fund Balance at Equity of Year	110,158	110,158	110,158	-
Prior Year Encumbrances Appropriated	<u>2,225</u>	<u>2,225</u>	<u>2,225</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 112,383</u>	<u>\$ 117,312</u>	<u>\$ 117,135</u>	<u>\$ (177)</u>

# **STATISTICAL SECTION**

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

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
<b>Current:</b>										
<b>Instruction:</b>										
Regular	\$ 7,945,405	\$ 7,982,835	\$ 7,403,830	\$ 6,946,005	\$ 6,448,239	\$ 6,246,439	\$ 5,841,743	\$ 5,253,820	\$ 4,846,695	\$ 4,213,767
Special	1,305,105	1,133,204	1,039,586	962,189	959,739	957,649	822,311	709,509	587,638	534,007
Vocational	-	-	-	71	76	434	425	-	466	28,110
<b>Support Services:</b>										
Pupils	899,539	828,603	619,133	595,085	626,173	642,176	476,901	456,071	390,028	373,428
Instructional Staff	1,559,717	1,550,524	1,313,629	1,309,417	939,425	614,943	507,240	397,838	399,296	302,699
Board of Education	38,386	21,670	24,906	30,285	50,709	34,063	28,414	26,006	28,570	26,501
Administration	1,414,826	1,341,714	1,198,708	1,104,583	1,138,517	1,030,712	948,428	744,018	667,565	640,581
Fiscal	527,114	437,988	459,884	449,158	410,295	369,731	342,737	390,376	341,711	323,311
Business	82,377	104,742	62,134	58,874	29,318	36,314	34,863	34,893	36,483	50,280
Plant Operation & Maintenance	1,666,090	1,615,805	1,421,174	1,355,651	1,279,129	1,233,878	1,943,494	944,001	806,968	775,735
Pupil Transportation	1,188,717	1,397,561	1,333,015	1,124,806	1,025,067	912,155	872,803	764,437	802,666	631,451
Central	148,198	98,210	105,184	525	2,841	-	-	53,449	51,151	55,120
Non-Instructional Services	(10,421)	31,276	6,350	16,211	11,782	17,673	14,688	12,043	12,768	12,172
Extracurricular Activities	460,569	358,424	311,567	320,194	292,152	277,917	250,277	230,317	185,386	195,459
Capital Outlay	60,176	189,985	11,950	75	57,117	16,046	318,528	429,492	246,407	28,826
Debt Service	290,259	284,891	257,386	189,661	198,578	204,780	204,447	82,836	78,680	-
Other Financing Uses	-	-	-	-	-	-	-	-	-	89,287
<b>Total</b>	<b>\$ 17,576,057</b>	<b>\$ 17,377,432</b>	<b>\$ 15,568,436</b>	<b>\$ 14,462,790</b>	<b>\$ 13,469,157</b>	<b>\$ 12,594,910</b>	<b>\$ 12,607,299</b>	<b>\$ 10,529,106</b>	<b>\$ 9,482,478</b>	<b>\$ 8,280,734</b>

Source: School District Financial Records

(1) Fiscal years 1995 through 2003 are reported on a GAAP basis; fiscal year 1994 is reported on a cash basis

(2) For fiscal years on a GAAP basis, Other Financing Uses will not be included.



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

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Taxes	\$ 9,252,192	\$ 9,291,913	\$ 8,772,047	\$ 8,649,603	\$ 8,572,104	\$ 7,914,530	\$ 7,027,394	\$ 6,581,115	\$ 5,785,944	\$ 5,659,116
Intergovernmental	7,639,197	6,694,742	5,623,156	5,075,752	4,783,157	4,327,200	3,835,891	3,877,285	3,346,398	3,114,712
Interest	41,046	79,041	244,816	181,610	174,050	148,837	73,618	171,619	126,768	59,085
Tuition and Fees	167,220	224,098	213,103	192,324	174,322	153,140	180,684	140,340	111,288	20,989
Extracurricular Activities	-	-	-	-	2,178	1,725	-	-	-	-
Miscellaneous	146,337	125,684	245,003	41,043	45,774	5,899	4,576	4,556	11,042	47,601
Other Financing Sources	-	-	-	-	-	-	-	-	-	34,045
<b>Total</b>	<b>\$ 17,245,992</b>	<b>\$ 16,415,478</b>	<b>\$ 15,098,125</b>	<b>\$ 14,140,332</b>	<b>\$ 13,751,585</b>	<b>\$ 12,551,331</b>	<b>\$ 11,122,163</b>	<b>\$ 10,774,915</b>	<b>\$ 9,381,440</b>	<b>\$ 8,935,548</b>

Source: School District Financial Records

(1) Fiscal years 1995 through 2003 are reported on a GAAP basis; fiscal year 1994 is reported on a cash basis

(2) For fiscal years on a GAAP basis, Other Financing Sources will not be included.

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

COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	DELINQUENT TAX COLLECTIONS (B)	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
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%
1994	7,321,683	7,066,587	(A)	7,066,587	96.52%	297,950	4.07%
1993	6,090,503	5,859,158	(A)	5,859,158	96.20%	273,762	4.49%

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 2002 is the latest complete year for which information is available.

Includes state reimbursements of homestead and rollback exemptions. In addition, the tax information for collection years 1993 through 1994 does not include tangible personal property taxes as information could not practically be obtained by the County Auditor's Office.

(A) Information could not practically be obtained.

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

(C) Accumulated outstanding delinquent taxes reported for collections years 1993 and 1994 does not include delinquent tangible personal property taxes as information could not practically be obtained.

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

COLLECTION YEAR	Real Estate		Public Utility Real and Personal		Tangible Personal		Total		Assessed Value Ratio
	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	
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	290,916,830	831,190,943	22,352,640	25,400,727	6,710,817	26,843,268	319,980,287	883,434,938	36.22%
1999	268,625,630	767,501,800	21,281,240	24,183,227	8,685,359	34,741,436	298,592,229	826,426,463	36.13%
1998	258,621,640	738,918,971	19,523,770	22,186,102	9,188,372	36,753,488	287,333,782	797,858,562	36.01%
1997	249,639,990	713,257,114	19,168,390	21,782,261	8,718,782	34,875,128	277,527,162	769,914,503	36.05%
1996	202,844,950	579,557,000	12,099,710	13,749,670	7,759,100	31,036,400	222,703,760	624,343,070	35.67%
1995	187,338,790	535,253,686	13,705,290	15,574,193	4,456,999	17,827,996	205,501,079	568,655,875	36.14%
1994	176,062,680	503,036,229	13,265,100	15,073,977	5,239,103	20,956,412	194,566,883	539,066,618	36.09%

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			
						SCHOOL	COUNTY	TOWNSHIP	
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
1995	63.50	9.08	3.45	19.30	95.33	5.20	0.20	-	5.40
1994	63.20	9.08	3.45	19.30	95.03	4.90	0.07	-	4.97

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>
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
1995	9,829,485	194,566,883	10,897	5.05%	902
1994	10,289,485	171,150,807	10,897	6.01%	944

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

(2) Source: Greene County Auditor

(3) Source: Fiscal years 1994 to 1999: U.S. Bureau of the Census, Population Estimates Branch  
 Fiscal years 2000 to 2003: Estimates by City of Bellbrook, Ohio and Sugarcreek Township

**SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT**  
**DECEMBER 31, 2002**

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JURISDICTION	NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO SCHOOL DISTRICT	AMOUNT APPLICABLE TO SCHOOL DISTRICT
Sugarcreek Local School District	\$ 6,035,918	100.00%	\$ 6,035,918
Greene County	22,225,795	12.86% (2)	2,858,237
			\$ 8,894,155

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

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

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

**SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2003**

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Assessed Value	<u>\$ 394,494,772</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>35,504,529</u>
Amount of Debt Applicable to Debt Limit: Bonded Debt	(6,461,959)
Amount Available in Debt Service Fund	<u>426,041</u>
Net Bonded Debt	<u>(6,035,918)</u>
Overall Debt Margin	<u>29,468,611</u>
Energy Conservation Debt Limit - 9/10% of 1% of Assessed Value (1)	3,550,453
Amount of Debt Applicable	<u>(226,500)</u>
Energy Conservation Debt Margin	<u>3,323,953</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	394,495
Amount of Debt Applicable	<u>-</u>
Unvoted Debt Margin	<u>394,495</u>

Source: County Auditor and School District's financial records

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

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

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURES(1)	RATIO OF DEBT SERVICE TO GENERAL FUND EXPENDITURES (PERCENTAGE)
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%
1995	460,000	409,270	869,270	9,482,478	9.17%
1994	40,000	16,663	56,663	8,280,734	0.68%

Source: School District Financial Records

(1) - Fiscal years 1995 through 2003 are reported on a GAAP basis; fiscal year 1994 is reported on a cash basis and include other financing sources.



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

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ACTUAL ENROLLMENT

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2003	2,751
2002	2,651
2001	2,603
2000	2,585
1999	2,579
1998	2,558
1997	2,486
1996	2,335
1995	2,170
1994	1,915

TEN YEAR ENROLLMENT PROJECTION (1)

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2004	2,833
2005	2,904
2006	2,976
2007	3,051
2008	3,127
2009	3,205
2010	3,286
2011	3,369
2012	3,452
2013	3,539

(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**

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<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>
2003	13,650	(5)	2,751	4.10%
2002	13,650	(5)	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%
1995	10,897	\$ 49,217	2,170	3.80%
1994	10,897	\$ 45,516	1,915	4.80%

Source:

- (1) Fiscal years 1994 to 1999: U.S. Bureau of the Census, Population Estimates Branch.  
 Fiscal year 2000 to 2003: 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**

<u>YEAR</u>	<u>NUMBER OF BUILDING PERMITS ALL TYPE (1)</u>	<u>VALUATION OF CONSTRUCTION (1)</u>	<u>CERTIFIED BANK DEPOSITS (1)</u>	<u>ASSESSED PROPERTY VALUE (2)</u>
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
1995	4,335	68,740,800	247,816,000	194,566,883
1994	3,440	39,963,400	257,906,000	171,150,807

(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, 2002**

NAME OF TAXPAYER	ASSESSED VALUE (1)	PERCENT OF TOTAL ASSESSED VALUE
Dayton Power and Light Company	\$ 10,568,080	2.74%
Papock Herbert	3,938,350	1.02%
Lofino Properties LLC	3,821,660	0.99%
Sugarcreek Associates	3,705,400	0.96%
Home Depot	3,232,720	0.84%
Five Seasons Sports Club	2,989,210	0.78%
Spears Wendell Enterprises	2,101,910	0.55%
Briggs Road Associates	1,909,750	0.50%
Kroger LTD	1,696,640	0.44%
Sunset Development	<u>1,608,650</u>	<u>0.42%</u>
Subtotal	35,572,370	9.23%
All Other Taxpayers	<u>349,826,260</u>	<u>90.77%</u>
Total Assessed Valuation	<u><u>\$ 385,398,630</u></u>	<u><u>100.00%</u></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 2003

**SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO**  
**PRINCIPAL TAXPAYERS - TANGIBLE PERSONAL PROPERTY**  
**DECEMBER 31, 2002**

NAME OF TAXPAYER	ASSESSED VALUE (1)	PERCENT OF TOTAL ASSESSED VALUE
Lowes Home Centers Inc.	\$ 1,608,810	17.69%
Walmart Stores East Inc.	1,373,860	15.10%
Time Warner Entertainment Co.	783,870	8.62%
Aldi Inc, Ohio	660,320	7.26%
Kohls Department Stores Inc.	636,460	7.00%
Kroger Limited Partnership	556,250	6.12%
Dayton Foods Limited Partnership	418,420	4.60%
Discount Drug Mart Inc.	316,710	3.48%
Five Seasons Sport Club	300,400	3.30%
Ernst Enterprises Inc.	<u>249,610</u>	<u>2.74%</u>
Subtotal	6,904,710	75.91%
All Other Taxpayers	<u>2,191,432</u>	<u>24.09%</u>
Total Assessed Valuation	<u>\$ 9,096,142</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 2003

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

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<u>FISCAL YEAR</u>	<u>GENERAL FUND EXPENDITURES (1)</u>	<u>AVERAGE DAILY MEMBERSHIP</u>	<u>PER PUPIL COST</u>
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
1995	9,482,478	2,170	4,370
1994	8,280,734	1,915	4,324

Source: School District Financial Records

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

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

<u>DATE</u>	<u>MILLAGE</u>	<u>FOR</u>	<u>AGAINST</u>	<u>PERCENT FOR LEVY</u>	<u>PURPOSE</u>
11/2/1993	4.90	2,297	1,996	53.51%	Bond issue for construction of new high school
5/2/1995	9.00	1,315	1,437	47.78%	Replacement of current operating levy for continuing time period.
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

Source: Greene County Board of Elections.

(A) Official results could not be provided.

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**Auditor of State  
Betty Montgomery**

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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  
JANUARY 27, 2004**