

Sugarcreek Local School District
Greene County, Ohio

Single Audit

July 1, 2007 through June 30, 2008
Fiscal Years Audited Under GAGAS: 2008



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639



Mary Taylor, CPA
Auditor of State

Board of Education
Sugar creek Local School District
60 East South Street
Bellbrook, Ohio 45305

We have reviewed the *Independent Auditor's Report* of the Sugar creek Local School District, Greene County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 17, 2008

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Sugar Creek Local School District
Greene County

Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
United States Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
Food Distribution Program	N/A	10.550	\$ -	\$ 23,012	\$ -	\$ 23,012
<i>Nutrition Cluster:</i>						
National School Breakfast Program	05PU	10.553	4,754	-	4,754	-
School Lunch Program	LLP4	10.555	116,758	-	116,758	-
Total United States Department of Agriculture - Nutrition Cluster			<u>121,512</u>	<u>23,012</u>	<u>121,512</u>	<u>23,012</u>
United States Department of Education						
<i>Passed through Ohio Department of Education</i>						
<i>Special Education Cluster:</i>						
Special Education Grants to States	6BSF	84.027	534,852	-	537,738	-
Special Education Preschool Grants	PGS1	84.173	20,150	-	20,150	-
Total Special Education Cluster			<u>555,002</u>	<u>-</u>	<u>557,888</u>	<u>-</u>
Title I Grants to Local Education Agencies	C1S1	84.010	162,471	-	162,471	-
Safe and Drug Free Schools and Communities State Grants	DRS1	84.186	6,308	-	6,308	-
State Grants for Innovative Programs	C2S1	84.298	6,036	-	6,028	-
Education Technology State Grants	TJS1	84.318	1,644	-	1,644	-
English Language Acquisition Grants	N/A	84.365	16,068	-	16,068	-
Improving Teacher Quality State Grant	TRS1	84.367	51,744	-	54,519	-
Total United States Department of Education			<u>799,273</u>	<u>-</u>	<u>804,926</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 920,785</u>	<u>\$ 23,012</u>	<u>\$ 926,438</u>	<u>\$ 23,012</u>

N/A = Pass through entity number could not be located.
See Notes to the Schedule of Federal Awards Expenditures.

Sugarcreek Local School District
Notes to the Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2008

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DONATION

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

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sugarcreek Local School District (the School District) as of and for the year ended June 30, 2008, and have issued our report thereon dated October 31, 2008 in which we indicate that the School District implemented GASB Statements No. 50, No. 48 and No. 45. 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 the Comptroller General of the United States' *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not to opine on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the School District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the School District's internal control will not prevent or detect a material financial misstatement.

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

We noted certain other matters reported to the School District in a separate report dated October 31, 2008.

Members of the Board

Sugarcreek Local School District

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

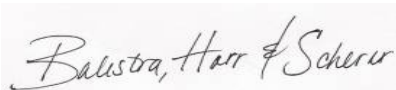
Page 2

Compliance and Other Matters

As part of obtaining reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain noncompliance and other matters reported to the School District in a separate report dated October 31, 2008.

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



Balestra, Harr & Scherer, CPAs, Inc.
October 31, 2008

BALESTRA, HARR & SCHERER, CPAs, INC.
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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

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

Compliance

We have audited the compliance of the Sugarcreek Local School District (the School 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, 2008. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the School 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 School District's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

Internal Control Over Compliance (Continued)

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

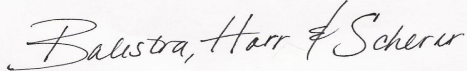
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2008, and have issued our report thereon dated October 31, 2008 in which we indicate that the School District implemented GASB Statements No. 50, No. 48 and No. 45. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. 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 management, members of the Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
October 31, 2008

Sugarcreek Local School District
Schedule of Findings and Questioned Costs
OMB Circular A-133 Section .505
June 30, 2008

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 weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant control deficiencies 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 weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant control deficiencies 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 Program(s) (list):	Special Education Cluster: CFDA #84.027 & CFDA #84.173
<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?	No

Sugarcreek Local School District
Schedule of Findings and Questioned Costs
OMB Circular A-133 Section .505
June 30, 2008

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

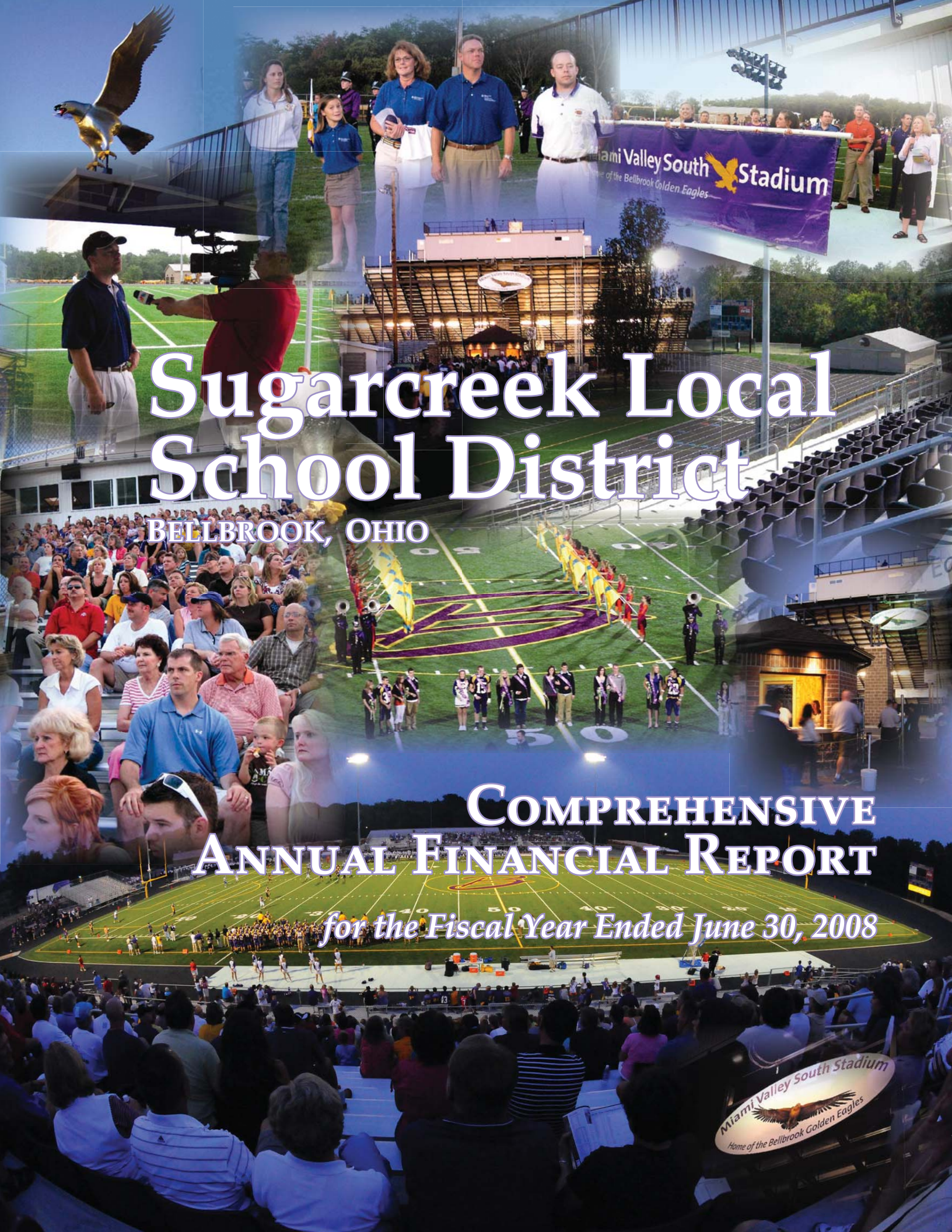
None

Findings for Federal Awards

None

Sugarcreek Local School District
Schedule of Prior Audit Findings
OMB Circular A-133 § .315(b)
For the Fiscal Year Ended June 30, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	Material Weakness – Audit Adjustments	Yes	



Sugar Creek Local School District

BELLBROOK, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Fiscal Year Ended June 30, 2008



Sugarcreek Local School District

Bellbrook, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

Issued By:
Treasurer's Office

Kevin Liming
Treasurer

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**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**SUGARCREEK LOCAL SCHOOL DISTRICT
 GREENE COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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 GREENE COUNTY, OHIO
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**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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Introductory Section

FINANCIAL • STATISTICAL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Fiscal Year Ended June 30, 2008



SUGARCREEK LOCAL SCHOOL DISTRICT
"Soaring Toward Excellence"

KEVIN L. LIMING
Treasurer

October 31, 2008

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, 2008. This report contains financial statements, supplemental statements and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for fiscal year 2008.

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

The School District, along with the Auditor of State of Ohio, has selected Balestra, Harr & Scherer, CPAs, Inc. to perform the School District's annual audit. Their unqualified ("clean") opinion on the School District's financial statements for the fiscal year ended June 30, 2008 is located at the front of the financial section of this report.

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

DISTRICT PROFILE

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

The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by the state and/or federal agencies. The Board of Education controls the School District's instructional/support facilities which are staffed by a full-time equivalent staff of 268 employees who provide services to 2,764 students in grades Pre K thru 12.

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

LOCAL ECONOMY

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

The community has seen recent growth not only in the residential area, but also commercially in the form of retail and restaurant development. This growth is expected to continue. There are currently several residential housing areas being developed and additional retail development continues near the Interstate 675 interchange. Despite these developments within the boundaries of the School District, the majority of the residences commute to and work in adjacent communities.

With the current growth in residential housing developments within the School District, the student population is expected to continue to increase at rates similar to, or above, those experienced in the recent past (between seven to ten percent annually). Current projections estimate the student enrollment to reach 2,900 in ten years, an increase of over 5 percent of the fiscal year 2008 school enrollment.

DISTRICT ACHIEVEMENTS

Academics

- The School District earned the highest rating ("EXCELLENT") from the Ohio Department of Education on its 2007-08 District Report Card by exceeding established benchmarks in 29 of the 30 indicators reported. In addition, all of our District schools individually achieved an "EXCELLENT" report card rating.

Financial

- The Financial Advisory Committee met four times during the year to continue to share information and work on financial strategies. This committee serves as the district audit committee, reviews the five year financial forecast, approves the revised By-Laws of the Bellbrook Sugarcreek Education Foundation and prepares strategies and action plans for the financial goals of the District Strategic plan.
- The Board voted to place a ½% continuing income tax operating levy on the November, 2008 ballot.

Facilities

- The renovation project to Bell Creek Intermediate School was completed in July of 2007. This construction project is a part of the \$44 million bond issue that was passed by voters in 2003.
- The Bellbrook Athletic Boosters are currently seeking private funding to complete for the High School Stadium renovation project. This project was not a part of the 2003 bond issue. The stadium renovation project was completed in August of 2008.

Technology

- The Board of Education contracted with VARTEK to do a district-wide technology analysis, and reviewed the results of that analysis to plan the future of the district in the area of technology.
- The Board of Education approved moving forward with the technology plan developed to enhance classroom technology, including new computers, video projectors, and document cameras. The technology plan also includes a variety of training sessions for teachers on the use of this technology.

MAJOR DISTRICT INITIATIVES

Academics

- Added Chinese to the High School curriculum.
- Continue to seek improvement on the District's Department of Education report card including keeping the designation of academic excellence.
- Expand the School/College partnership with Wright State University.

Financial

- Continue to work toward changing the current five-year 9 mill operating levy into a "continuing" levy so that future property tax revenues are more stable and bond ratings can be improved.
- Support the development of the Bellbrook Sugarcreek Education Foundation by making available lists of alumni, providing meeting spaces, and educating the community about scholarships, capital projects and the arts and sciences.

Staff Development

- Provide both Teacher In-Service days and Release days to address meeting the needs of all students through "Differentiated Instruction". Provide structured meetings to discuss the Ohio Standards, K-12, and how the School District pretest students and use our assessments to direct instruction.
- Continue to operate an optional All-Day Kindergarten Latchkey program.
- Use "In-Service Time" to coordinate and support teachers with "English as a Second Language" students and develop an "Intervention Assistant Classroom" guideline to provide that support.

LONG-TERM FINANCIAL PLANNING

The School District prepares a five-year forecast outlining operational revenues and expenditures based on current assumptions. The five-year forecast must be filed with the Ohio Department of Education in October of each year and then revised the following May. The five-year forecast is used as a management tool in determining the current and future operational needs of the School District. Ohio law prohibits a school district from closing due to lack of funds. It is the responsibility of the Board of Education to ensure the School District presents a balanced budget on an annual basis. The five-year forecast provides management with essential information needed to seek additional revenue or make necessary adjustments to planned expenditures in order to maintain a balanced budget.

AWARDS

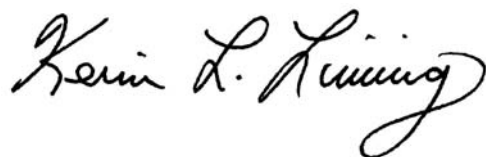
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sugarcreek Local School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, the School District had to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by many, not only through effort, but also through support. Gratitude is extended to the Sugarcreek Board of Education for their support of the Treasurer's office that allows reliable and progressive financial operations and reporting. Appreciation for the preparation is also extended to the Sugarcreek Local School community, the staff of the Treasurer's Office, Richard Cost, and Clark, Schaefer, Hackett & Company.

Respectfully submitted,

A handwritten signature in black ink that reads "Kevin L. Liming". The signature is written in a cursive style with a large, looping "K" and "L".

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, 2007

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2008

Board of Education

Elizabeth Betz, President

Dr. John Harmeyer, Vice President

Dr. Timothy Anderson, Member

Mary Frantz, Member

Kathy Kingston, Member

Administration Team

Dr. Keith St. Pierre, Superintendent

Kevin Liming, Treasurer/CFO

William Wright, Business Manager

Chuck Birkholtz, Director of Secondary Curriculum

Patricia Stricker, Director of Elementary Curriculum

Tonya Wilson, Special Education Supervisor

Chris Baker, Principal, Bellbrook High School

Betsy Chadd, Assistant Principal, Bellbrook High School

Ted Holop, Assistant Principal, Bellbrook High School

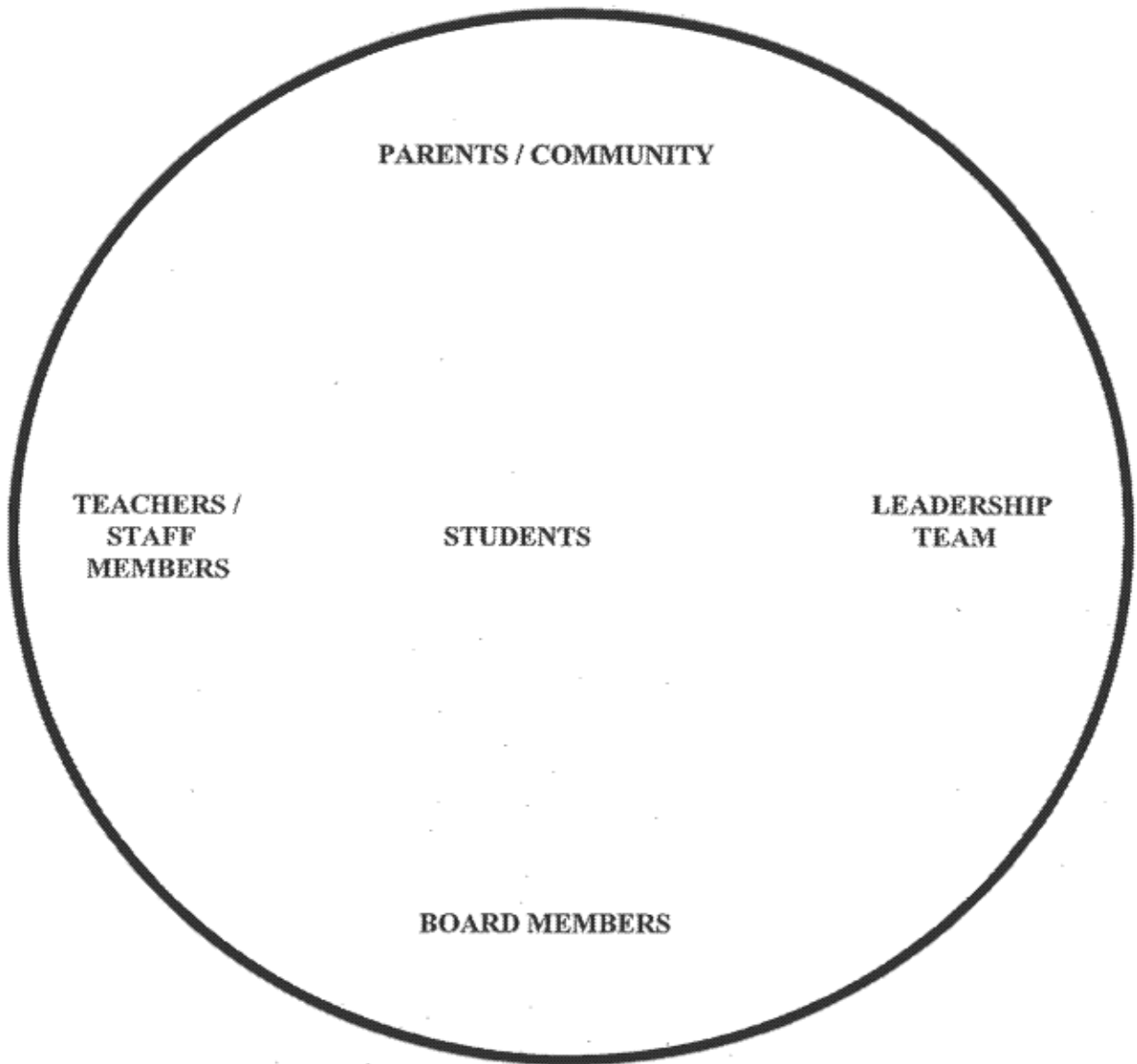
Jeness Sigman, Principal, Bellbrook Junior High School

Jeff Eckley, Assistant Principal, Bellbrook Junior High School

Michael Baldrige, Principal, Bell Creek Elementary Schools

Ginger Keeton, Principal, Stephen Bell School

**SUGARCREEK LOCAL SCHOOL DISTRICT'S
LEARNING COMMUNITY
ORGANIZATIONAL CHART**



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Financial Section

INTRODUCTORY • STATISTICAL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Fiscal Year Ended June 30, 2008

BALESTRA, HARR & SCHERER, CPAs, INC.

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

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sugarcreek Local School District (the School District), Greene County, Ohio, as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School 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 Comptroller General of the United States *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2008, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

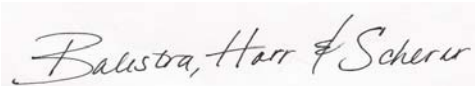
In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Members of the Board
Sugarcreek Local School District
Independent Auditor's Report
Page 2

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

As described in Note 3, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures – an amendment of GASB statements No. 25 and No. 27*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions*.



Balestra, Harr & Scherer, CPAs, Inc.
October 31, 2008

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2008

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, 2008. 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 2008 are as follows:

Overall:

- Total net assets decreased by \$272,623 or 4.4 percent during the year.
- Total assets of governmental activities increased \$2.6 million, attributed primarily to the significant additions of capital projects resulting from the school facilities project, as well as higher cash balances due to unspent capital financing funds at June 30, 2008 associated with the Stadium renovation project.
- Total liabilities increased by \$2.8 million due predominately to the School District entering into \$5.2 million of capital lease obligations during the year which was partially offset by scheduled debt service payments.
- General revenues accounted for \$25.0 million or 87.7 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 \$3.5 million or 12.3 percent of total revenues of \$28.5 million.
- During the fiscal year, the School District completed the four year, \$45 million, facilities project which included the new construction of Bellbrook Middle School and extensive renovations to all other school facilities within the District. During fiscal year 2008, the School District reported capital asset additions of buildings and land improvements totaling \$7.0 million; \$5.7 million of this amount was previously captured as construction in progress.
- The general fund of the School District ended fiscal year 2008 with a fund deficit of \$2.0 million compared with the \$2.1 million deficit reported for the prior fiscal year. The fund deficit, or the lack of reserve funds, is an indicator that the School District's long-term financial condition will need to be addressed. The current five-year forecast (prepared on the cash basis) indicates a positive ending cash fund balance through the end of fiscal year 2010.

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, 2008

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2008?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins after the statement of activities in the financial section of this report. Fund financial reports provide detailed information about the General, Debt Service, 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, 2008

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 2008 compared to 2007:

TABLE 1
NET ASSETS

	<u>2008</u>	<u>2007</u>
<i>Assets</i>		
Current and Other Assets	\$ 21,890,190	\$ 20,909,824
Capital Assets	<u>57,223,302</u>	<u>55,652,392</u>
Total Assets	79,113,492	76,562,216
<i>Liabilities:</i>		
Long-term Liabilities	53,590,875	50,303,424
Other Liabilities	<u>19,580,404</u>	<u>20,043,956</u>
Total Liabilities	73,171,279	70,347,380
<i>Net Assets:</i>		
Invested in Capital Assets, Net of Debt	7,784,164	7,237,845
Restricted	1,911,586	2,242,984
Unrestricted	<u>(3,753,537)</u>	<u>(3,265,993)</u>
Total Net Assets	<u>\$ 5,942,213</u>	<u>\$ 6,214,836</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2008, the School District's net assets were \$5.9 million. Of that amount, approximately \$7.8 million was invested in capital assets, net of debt related to those assets. Another \$1.9 million was subject to external restrictions upon its use. The remaining unreserved deficit of \$3.8 million was due to the accruals of long-term liabilities for which the School District does not currently have resources to cover. While a replacement levy, passed in May 2005, provided additional operating revenues, a long-term solution to fiscal issues is not on the horizon. Limited revenue growth legislation in Ohio basically requires school districts to seek additional tax revenues only when cash will be needed for paying obligations. The latest five-year forecast prepared by the School District indicates a positive ending cash balance through the end of fiscal year 2010.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2008

The increase in the current and other assets of the School District for fiscal year 2008 is attributed to the cash with fiscal agent associated with the Stadium renovation project. While the School District is currently showing all the debt obligations of the \$3.1 million project, the amount drawn on these funds only totaled approximately \$1.0 million prior to the end of the fiscal year. It is important to note this cash has been obligated for construction costs and therefore is not available to fund day-to-day operations. The increase in the capital assets reported for the year is associated with the completion of the renovation projects at Bell Creek Intermediate School. The completion of this project ends the School District's four-year, \$45 million facilities project which included the new construction of Bellbrook Middle School and extensive renovations to all other school facilities within the District.

Total liabilities increased by \$2.8 million during the year which was due exclusively to the School District entering into \$5.2 million of new capital lease agreements in fiscal year 2008. These lease agreements provided financing necessary to complete the school facilities project, stadium renovation, purchase new school buses, as well as upgrade the School District's computer technology. Scheduled debt payments and decreases in other liability accounts somewhat offset the liability of these agreements at year-end.

The unrestricted net asset deficit reported at June 30, 2008 increased by \$487,544 over that reported one year prior due to the additional long-term debt obligations entered into during the fiscal year.

Table 2 shows the changes in net assets for fiscal years 2007 and 2006.

TABLE 2
CHANGES IN NET ASSETS

	<u>2008</u>	<u>2007</u>
<i>Revenues:</i>		
Program Revenues:		
Charges in Services	\$ 1,533,959	\$ 1,404,571
Operating Grants & Contributions	1,939,484	901,589
Capital Grants & Contributions	35,542	34,829
General Revenues:		
Property taxes	16,657,047	16,995,881
Grants & Entitlements	7,647,997	8,454,335
Other	<u>722,603</u>	<u>683,704</u>
Total Revenues	<u>28,536,632</u>	<u>28,474,909</u>
<i>Program Expenses:</i>		
Instruction	12,230,030	12,416,236
Support Services:		
Pupils and Instructional Staff	3,698,295	3,340,127
Board of Education, Administration, Fiscal and Business	2,826,983	2,781,736
Plant Operation and Maintenance	2,410,088	3,145,981
Pupil Transportation	1,744,557	1,704,925
Central	107,072	79,867
Operation of Non-Instructional Services	679,863	656,777
Extracurricular Activities	1,259,976	1,361,535
Unallocated Depreciation	1,717,935	1,011,352
Interest and Fiscal Charges	<u>2,134,456</u>	<u>2,127,635</u>
Total Expenses	<u>28,809,255</u>	<u>28,626,171</u>
<i>Change in Net Assets</i>	<u>\$ (272,623)</u>	<u>\$ (151,262)</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2008

As shown in Table 2, \$25.0 million, or 87.7 percent, of the School District's total revenue is derived from general revenues, essentially property taxes and state entitlement programs. The 1.9 percent decrease in property tax revenue reported for the year compared with the prior year is due to continued phase out of the personal property tax on business inventory in the State of Ohio. The State has agreed to reimburse school districts for this lost revenue for a period of time. The decrease in general grants and entitlements is due to recognizing certain components of the State Foundation Fund Program as program revenue in fiscal year 2008 compared to reporting those components as general revenues in the prior year. As a result, while general grants and entitlements decreased by approximately \$800,000, the amount reported as operating grants and contributions increased in fiscal year 2008 by just over \$1 million from those reported in the prior year.

Total expenses of the School District were virtually unchanged from the amount reported in the prior year increasing by \$183,084 or 0.6 percent. The pupil and instructional support staff functional expenses increased by 10.7 percent which is due to classification changes of personnel from one year to the next. The expense reported for plant operation and maintenance decreased by 23.4 percent as the expenditures associated with the opening of the new school buildings in the prior year were not incurred again during fiscal year 2008. Depreciation expense reported for fiscal year 2008 increased by \$706,583, or 69.9 percent, over the prior year as fiscal year 2008 was the first full year of depreciation on the new building and various building improvement projects.

Some of the School District's activities are financed through user charges, tuition and fees, and/or specific grants or contributions. These revenue sources are defined as program revenues, and the statement of activities shows these revenues in conjunction with the expenses of the School District to present the net cost of each function reported by the School District; that is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements. Table 3 shows the net cost of service reported for fiscal year 2008 compared with those reported for fiscal year 2007.

TABLE 3
NET COST OF SERVICE

	<u>2008</u>	<u>2007</u>
Instruction	\$ 11,122,106	\$ 11,785,729
Support Services:		
Pupils and Instructional Staff	3,140,708	2,867,658
Board of Education, Administration, Fiscal and Business	2,826,983	2,781,736
Plant Operation and Maintenance	2,377,409	3,135,481
Pupil Transportation	1,110,806	1,680,096
Central	107,072	79,867
Operation of Non-Instructional Services	27,331	23,485
Extracurricular Activities	735,464	792,143
Unallocated Depreciation	1,717,935	1,011,352
Interest and Fiscal Charges	2,134,456	2,127,635
Total Net Cost of Service	<u>\$ 25,300,270</u>	<u>\$ 26,285,182</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2008

In fiscal year 2008, 87.8 percent of the School District's expenses were financed through property taxes and state foundation revenues (general revenues), a slightly less dependence than what was reported in the prior year. In fiscal year 2008, the School District had program revenues totaling \$3.5 million, an increase of \$1.2 million over those reported for the prior fiscal year, due almost exclusively to the revenue reclassification noted above. Regardless, the School District remains significantly dependent on local revenues to fund its operations.

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$28.6 million and expenditures of \$32.2 million. Of the \$32.2 million expenditures reported, \$3.6 million was capital outlay. The net increase in total governmental fund balance of \$1.6 million resulted in an overall fund balance of \$1.9 million for all governmental funds. The School District reported \$2.9 million of fund balance reserved for various purposes at June 30, 2008.

The School District's general fund, the primary operating fund, ended fiscal year 2008 with an unreserved, undesignated fund deficit of \$2.7 million, or \$86,207 less than the deficit reported at June 30, 2007. Overall, the revenues of the general fund decreased by \$124,119, or 0.6 percent, from those reported for the prior year. Total expenditures of the general fund increased by 2.6 percent, or \$578,930, over prior year levels due to increases in the cost of personnel, benefits and materials. However, the \$750,000 return of a prior year transfer from the building fund enabled the general fund to report an increase in fund balance of \$69,578 for fiscal year 2008 compared to the \$727,471 decreased in fund balance reported for fiscal year 2007.

The fund balance of the debt service fund decreased by \$72,841 during the year; ending with a fund balance of \$1.6 million. Due to the nature of the bond levy, the revenues and expenditures of the debt service fund will not equal one another in any one particular year, however over the life of the bond issue, the tax receipts and debt service payments should equate to one another.

During the fiscal year, the School District issued \$5.2 million of capital lease obligations to provide financing for various capital items. As of June 30, 2008 \$2.3 million of this funding remained undrawn and is reported as cash with fiscal agent within the permanent improvement fund. The remaining financing, somewhat offset by receivables recognized at the end of the year, account for the \$1.7 million increase in the fund balance of the permanent improvement fund during fiscal year 2008.

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 \$21.9 million as compared to the original budget estimates of \$22.2 million due to intergovernmental receipts being received at somewhat lower amounts than originally anticipated.

SUGARCREEK LOCAL SCHOOL DISTRICT
Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$22.9 million, which was \$164,117 (0.7 percent) more than what was budgeted prior to the start of the fiscal year. Overall, the School District's actual expenditures and transfers-out on the budget basis were \$207,883 less than the final budgeted expenditures. There were no significant changes in any of the functional areas reported from the original budget amounts.

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.

Capital Assets

At the end of fiscal year 2008, the School District had \$57.2 million invested in land, buildings, furniture and equipment, vehicles, and construction in progress in governmental activities. Table 4 shows fiscal year 2008 balances compared to 2007. For additional detail on the School District's capital assets readers should review Note 8 to the basic financial statements.

TABLE 4
CAPITAL ASSETS

	<u>2008</u>	<u>2007</u>
Land	\$ 3,432,055	\$ 3,432,055
Improvements	2,546,125	2,505,538
Building Improvements	58,869,586	51,926,834
Equipment	1,501,644	1,299,492
Vehicles	3,111,010	2,662,231
Construction in Progress	1,430,677	5,716,755
Less: Accumulated Depreciation	<u>(13,667,795)</u>	<u>(11,890,513)</u>
Total Capital Assets	<u>\$ 57,223,302</u>	<u>\$ 55,652,392</u>

Overall, net capital assets increased approximately \$1.6 million compared to fiscal year 2007. The increase in capital assets results from the continued capitalization of the construction projects during the fiscal year being a greater amount than the amount of depreciation being charged against the assets.

As previously mentioned, the School District completed the final phases of its school facilities improvement project that included the construction of a new middle school building as well as renovations to all other existing buildings. During fiscal year 2008, the renovations at Bell Creek Intermediate School were completed and various project-wide costs were capitalized. Additions to buildings and land improvement for the year totaled nearly \$7.0 million, of which \$5.7 million was reported as construction in progress at the end of the prior year. Other significant acquisitions included 10 new school buses (\$703,350) and various equipment acquisitions, including computer and maintenance equipment.

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

Debt Administration

During fiscal year 2008, the School District entered into \$5.2 million of capital lease obligations to provide financing for completion of the school facilities project, renovations to the Stadium, acquisition of school buses as well as improvements to the School District's computer technology labs and equipment.

At June 30, 2008, the School District had a total of three general obligation bond issues outstanding, two of which had partially advance refunding, with outstanding principal of \$45.7 million, of which \$1.8 million is due within one year.

In total, at the end of fiscal year 2008, the School District had \$53.6 million of outstanding long-term obligations; \$46.7 million related to general obligation bonds, \$1.4 million related to compensated absences (severance payments); and \$5.5 million of capital lease obligations. During the year, principal payments made on general obligation bonds and capital lease obligations totaled \$2.1 million. The total long-term obligations anticipated to be retired in the next fiscal year is \$2.3 million.

For more detailed disclosures regarding the School District's debt obligations the reader should refer to Notes 14 and 15 to the basic financial statements.

Contacting the School District's Financial Management

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

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

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities
Assets:	
Equity in pooled cash, cash equivalents, and investments	\$ 2,593,934
Cash and cash equivalents with fiscal agents	2,308,722
Receivables:	
Property and other taxes	16,404,318
Accounts	46,352
Deferred charges	474,384
Restricted Assets:	
Equity in pooled cash and cash equivalents	62,480
Non-depreciable capital assets	4,862,732
Depreciable capital asset, net	52,360,570
Total Assets	79,113,492
Liabilities:	
Accounts payable	94,678
Contracts payable	851,579
Accrued wages and benefits payable	2,103,483
Intergovernmental payable	643,207
Accrued interest payable	187,155
Matured compensated absences	15,853
Unearned revenue	15,621,969
Payable from restricted assets:	
Retainage payable	62,480
Long Term Liabilities:	
Due within one year	2,305,408
Due in more than one year	51,285,467
Total Liabilities	73,171,279
Net Assets:	
Invested in capital assets, net of related debt	7,784,164
Restricted for:	
Debt service	1,648,795
Capital projects	260,501
Other purpose	2,290
Unrestricted	(3,753,537)
Total Net Assets	\$ 5,942,213

See accompanying notes to the basic financial statements.

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

		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	\$ 10,509,035	\$ 480,638	\$ 28,311	\$ -	\$ (10,000,086)
Special	1,720,995	-	580,033	18,942	(1,122,020)
Support Services:					
Pupils	2,596,663	-	465,575	-	(2,131,088)
Instructional staff	1,101,632	-	92,012	-	(1,009,620)
Board of education	44,698	-	-	-	(44,698)
Administration	1,822,276	-	-	-	(1,822,276)
Fiscal	788,610	-	-	-	(788,610)
Business	171,399	-	-	-	(171,399)
Operation and maintenance of plant	2,410,088	25,579	-	7,100	(2,377,409)
Pupil transportation	1,744,557	-	624,251	9,500	(1,110,806)
Central	107,072	-	-	-	(107,072)
Operation of non-instructional services	679,863	540,922	111,610	-	(27,331)
Extracurricular activities	1,259,976	486,820	37,692	-	(735,464)
Interest and fiscal charges	2,134,456	-	-	-	(2,134,456)
Unallocated depreciation *	1,717,935	-	-	-	(1,717,935)
	<u>\$ 28,809,255</u>	<u>\$ 1,533,959</u>	<u>\$ 1,939,484</u>	<u>\$ 35,542</u>	<u>(25,300,270)</u>

General Revenues:

Property taxes levied for:	
General purposes	12,808,966
Debt service	3,198,962
Capital outlay	649,119
Grants and entitlements not restricted to specific programs	7,647,997
Investment earnings	190,099
Miscellaneous	532,504

Total General Revenues 25,027,647

Changes in net assets (272,623)

Net assets at beginning of year 6,214,836

Net assets at end of year \$ 5,942,213

* - 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, 2008

	General Fund	Debt Service	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 301,929	\$ 1,496,732	\$ 247,992	\$ 547,281	\$ 2,593,934
Cash and Cash Equivalents:					
With Fiscal Agent	-	-	2,304,499	4,223	2,308,722
Receivables:					
Taxes	12,542,791	3,222,831	638,696	-	16,404,318
Accounts	46,352	-	-	-	46,352
Interfund	545	-	-	-	545
Restricted Assets:					
Cash and Cash Equivalents	-	-	-	62,480	62,480
Total Assets	\$ 12,891,617	\$ 4,719,563	\$ 3,191,187	\$ 613,984	\$ 21,416,351
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 91,520	\$ -	\$ -	\$ 3,158	\$ 94,678
Contracts Payable	-	-	851,579	-	851,579
Accrued Wages and Benefits	2,103,483	-	-	-	2,103,483
Intergovernmental Payable	643,207	-	-	-	643,207
Interfund Payable	-	-	-	545	545
Matured Compensated Absences Payable	15,853	-	-	-	15,853
Deferred Revenue	12,033,400	3,093,510	612,065	-	15,738,975
Payable from Restricted Assets:					
Retainage Payable	-	-	-	62,480	62,480
Total Liabilities	14,887,463	3,093,510	1,463,644	66,183	19,510,800
<u>Fund Balances:</u>					
<u>Reserved for:</u>					
Encumbrances	166,075	-	1,749,675	356,742	2,272,492
Property Taxes	509,391	129,321	26,631	-	665,343
<u>Unreserved, Undesignated:</u>					
General Fund	(2,671,312)	-	-	-	(2,671,312)
Special Revenue Funds	-	-	-	218,904	218,904
Debt Service Fund	-	1,496,732	-	-	1,496,732
Capital Projects Funds	-	-	(48,763)	(27,845)	(76,608)
Total Fund Balances	(1,995,846)	1,626,053	1,727,543	547,801	1,905,551
Total Liabilities and Fund Balances	\$ 12,891,617	\$ 4,719,563	\$ 3,191,187	\$ 613,984	\$ 21,416,351

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

Total Governmental Fund Balances:		\$	1,905,551
 <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.			57,223,302
Other long-term assets (taxes) are not available to pay for current-period expenditures and therefore are deferred in the funds.			117,006
Bond issuance costs associated with general obligation bonds payable are recorded as a deferred charge on the accrual basis but are not reported in the funds			474,384
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.			
G.O. bonds	(45,747,818)		
Accrued interest payable	(187,155)		
Deferred premium on bond issuance	(2,210,608)		
Deferred amount on refunding	1,279,133		
Compensated absences	(1,372,854)		
Capital leases	(5,538,728)		
Total			<u>(53,778,030)</u>
Net Assets of Governmental Activities		\$	<u>5,942,213</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, 2008

	General Fund	Debt Service	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 12,878,199	\$ 3,219,556	\$ 652,748	\$ -	\$ 16,750,503
Intergovernmental	8,141,217	390,118	77,565	1,003,062	9,611,962
Student Sales	-	-	-	544,891	544,891
Interest	184,548	-	4,499	1,052	190,099
Tuition and Fees	416,358	-	-	64,280	480,638
Extracurricular Activities	-	-	-	470,794	470,794
Miscellaneous	205,760	-	203,760	152,681	562,201
Total Revenues	<u>21,826,082</u>	<u>3,609,674</u>	<u>938,572</u>	<u>2,236,760</u>	<u>28,611,088</u>
Expenditures:					
Current:					
Instruction:					
Regular	10,524,894	-	-	27,663	10,552,557
Special	1,463,681	-	-	266,834	1,730,515
Support Services:					
Pupils	2,029,733	-	-	484,899	2,514,632
Instructional Staff	974,817	-	-	131,555	1,106,372
Board of Education	44,698	-	-	-	44,698
Administration	1,847,149	-	-	1,500	1,848,649
Fiscal	609,674	52,223	95,641	-	757,538
Business	118,141	-	-	-	118,141
Plant Operation and Maintenance	2,415,055	-	-	-	2,415,055
Pupil Transportation	1,559,990	-	-	-	1,559,990
Central	101,812	-	-	-	101,812
Non-Instructional Services	3,444	-	-	665,363	668,807
Extracurricular Activities	566,424	-	-	652,779	1,219,203
Capital Outlay	254,992	-	2,481,962	865,809	3,602,763
Debt Service:					
Principal Retirement	-	1,790,000	258,290	-	2,048,290
Interest and Fiscal Charges	-	1,880,997	46,298	-	1,927,295
Total Expenditures	<u>22,514,504</u>	<u>3,723,220</u>	<u>2,882,191</u>	<u>3,096,402</u>	<u>32,216,317</u>
Excess of Revenues Over(Under) Expenditures	<u>(688,422)</u>	<u>(113,546)</u>	<u>(1,943,619)</u>	<u>(859,642)</u>	<u>(3,605,229)</u>
Other Financing Sources (Uses):					
Inception of Capital Lease	-	-	5,168,546	-	5,168,546
Proceeds from Sale of Assets	19,000	-	-	-	19,000
Transfers-In	750,000	40,705	-	1,511,000	2,301,705
Transfers-Out	(11,000)	-	(1,540,705)	(750,000)	(2,301,705)
Total Other Financing Sources (Uses)	<u>758,000</u>	<u>40,705</u>	<u>3,627,841</u>	<u>761,000</u>	<u>5,187,546</u>
Net Change in Fund Balance	69,578	(72,841)	1,684,222	(98,642)	1,582,317
Fund Balance at Beginning of Year	<u>(2,065,424)</u>	<u>1,698,894</u>	<u>43,321</u>	<u>646,443</u>	<u>323,234</u>
Fund Balance at End of Year	<u>\$ (1,995,846)</u>	<u>\$ 1,626,053</u>	<u>\$ 1,727,543</u>	<u>\$ 547,801</u>	<u>\$ 1,905,551</u>

See accompanying notes to the basic financial statements.

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds \$ 1,582,317

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

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. The following is a summary of the
activity associated with capital assets.

Capital asset additions	3,602,763	
Current year depreciation	<u>(2,031,853)</u>	
Total		1,570,910

Property tax revenue in the statement of activities that do not provide
current financial resources are not reported as revenues in the funds. (93,456)

In governmental funds, proceeds from issuance of debt is considered a
source of financing, but in the statement of net assets, the debt
obligations are reported as a liability. (5,168,546)

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.

Principal payments on G.O. bonds	1,790,000	
Principal payments on capital leases	<u>258,290</u>	
Total		2,048,290

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.

Compensated absences payable	18,331	
Accrued interest payable	(21,635)	
Annual accretion on capital appreciation bonds	(215,680)	
Amortization of bond issuance cost	(23,308)	
Amortization of bond premium	101,089	
Amortization of deferred charge on refunding	<u>(70,935)</u>	
Total		<u>(212,138)</u>

Change in Net Assets of Governmental Activities \$ (272,623)

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 13,355,000	\$ 13,355,000	\$ 13,326,276	\$ (28,724)
Intergovernmental	8,161,875	8,145,000	7,792,353	(352,647)
Interest	232,000	232,000	184,548	(47,452)
Tuition and Fees	368,000	368,000	401,078	33,078
Miscellaneous	107,000	100,000	187,610	87,610
Total Revenues	<u>22,223,875</u>	<u>22,200,000</u>	<u>21,891,865</u>	<u>(308,135)</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,734,293	10,578,293	10,588,017	(9,724)
Special	1,367,106	1,367,106	1,433,967	(66,861)
Support Services:				
Pupils	2,023,200	2,023,200	2,212,417	(189,217)
Instructional Staff	1,014,183	1,014,183	981,167	33,016
Board of Education	37,475	37,475	44,987	(7,512)
Administration	1,930,901	1,930,901	1,853,057	77,844
Fiscal	655,270	655,270	641,745	13,525
Business	122,111	122,111	119,777	2,334
Plant Operation and Maintenance	2,503,574	2,503,574	2,689,946	(186,372)
Pupil Transportation	1,607,955	1,607,955	1,599,938	8,017
Central	106,785	106,785	106,154	631
Non-Instructional Services	4,000	4,000	3,385	615
Extracurricular Activities	585,442	585,442	572,159	13,283
Capital Outlay	-	-	9,696	(9,696)
Total Expenditures	<u>22,692,295</u>	<u>22,536,295</u>	<u>22,856,412</u>	<u>(320,117)</u>
Excess of Revenues Over(Under)				
Expenditures	<u>(468,420)</u>	<u>(336,295)</u>	<u>(964,547)</u>	<u>(628,252)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	-	-	19,000	19,000
Refund of Prior Year Expenditures	-	-	18,150	18,150
Transfers-In	750,000	750,000	750,000	-
Transfers-Out	(539,000)	(539,000)	(11,000)	528,000
Total Other Financing Sources (Uses)	<u>211,000</u>	<u>211,000</u>	<u>776,150</u>	<u>565,150</u>
Net Change in Fund Balance	<u>(257,420)</u>	<u>(125,295)</u>	<u>(188,397)</u>	<u>(63,102)</u>
Fund Balance at Beginning of Year	186,354	186,354	186,354	-
Prior Year Encumbrances Appropriated	125,297	125,297	125,297	-
Fund Balance at End of Year	<u>\$ 54,231</u>	<u>\$ 186,356</u>	<u>\$ 123,254</u>	<u>\$ (63,102)</u>

See accompanying notes to the basic financial statements.

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

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	Private Purpose Trust	Agency Funds
Assets:		
Equity in pooled cash and cash equivalents	\$ 143	\$ 57,906
Cash and Cash Equivalents:		
With Fiscal Agent	236,948	-
Total Assets	237,091	57,906
Liabilities:		
Due to students	-	57,906
Total Liabilities	-	\$ 57,906
Net Assets:		
Held in trust for scholarships	237,091	
Total Net Assets	\$ 237,091	

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Donations	\$ 17,511
Investment Earnings	<u>(4,818)</u>
Total Additions	<u>12,693</u>
Deductions:	
Payments in accordance with trust agreements	<u>2,500</u>
Total Deductions	<u>2,500</u>
Change in Net Assets	10,193
Net Assets Beginning of Year	<u>226,898</u>
Net Assets End of Year	<u><u>\$ 237,091</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, 2008

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 268 employees who provide services to 2,764 students and other community members.

Reporting Entity

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

The primary government consists of all funds and departments, not legally separate from the School District, which provide various services including instruction, student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

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

The School District does not have any component units.

The District is associated with four organizations, which are defined as jointly governed. These organizations include the Miami Valley Educational Computer Association, the Southwestern Ohio Educational Purchasing Cooperative, the Greene County Career Center, and the Bellbrook/Sugarcreek Education Foundation. These organizations are presented in Note 17 to the basic financial statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for services from one fund or function to another where the elimination of these payments would distort the direct costs and program revenues reported for the various functions concerned.

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.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Governmental Funds

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

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.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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.

D. Basis of Accounting

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

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

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

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

Unearned 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, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

On governmental fund financial statements, deferred revenue includes the unearned revenue previously mentioned as well as receivables that will not be collected within the available period.

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

The accrual basis of accounting utilized on the government-wide financial statements and by private purpose trust funds recognizes revenues when they are earned, and expenses are recognized at the time they are incurred. Agency funds do not have a measurement focus.

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 2008.

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

F. Cash, Cash Equivalents, and Investments

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

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

The School District has allocated interest according to Ohio statutes. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$184,548, which includes the General Fund's allocation as well as the allocations of all funds not specified in the Board's resolution. Interest revenue was also reported in the Permanent Improvement Fund and non-major governmental funds in the amounts of \$4,499 and \$1,052. A decrease in the fair value of investments was recorded in the private purpose trust funds resulting in \$(4,818) being reported as investment earnings.

G. Estimates

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

H. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. 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.

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

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

I. Interfund Activity

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

J. Compensated Absences

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

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

A liability for sick leave is accrued using the vesting method which states that the District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave 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 has matured (i.e. payable for payment during the current year for employees who have applied for severance payment during the fiscal year, but have not received payment at year-end). These amounts are recorded in the account "matured compensated absences" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported in the governmental fund statements.

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and special termination benefits 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, 2008

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. At June 30, 2008 the School District had no net assets restricted by enabling legislation.

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

M. Reservations 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.

N. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, grantors, laws of other governments or imposed by enabling legislation. Restricted assets in the Building Fund represent cash held as retainage for contractors.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2008, the School District has implemented GASB Statements No. 45, “Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions”, and No. 48, “Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues”, No. 50, “Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27”.

GASB Statement No. 45 establishes the reporting disclosure requirements for governments related to benefits offered to employments after employment ends other than pensions. For the School District, the changes contained within this Statement only affected the required disclosures related to the health care benefits offered to retirees through the multi-employer, cost-sharing state retirement systems. These disclosures are contained in Note 12 to the basic financial statements.

GASB Statement No. 48 establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged or sold. This statement had no effect on the School District financial statements for fiscal year 2008.

GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those required for other post-employment benefits (OPEB) and, in doing so, enhances information disclosed in the notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This statement had no effect on the School District financial statements for fiscal year 2008.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 4 – ACCOUNTABILITY AND COMPLIANCE

At June 30, 2008 the General Fund and the Title IV Fund (non-major special revenue fund) had deficit fund balances of \$1,995,846 and \$537, respectively. The deficit in the General Fund as well as the other non-major funds resulted from the accrual of various liabilities. Management expects having necessary resources available when the obligations become due in the fiscal year 2008. The general fund is liable for any deficit in any other fund and provides operating transfers or advances when cash is required, not when accruals occur.

Ohio Revised Code Section 5705.41(B) prohibits expenditures plus encumbrances from exceeding appropriation levels within a fund at the established legal level of control. At June 30, 2008 the following funds had expenditures plus encumbrances that exceeded appropriation levels; Debt Service, Permanent Improvement, and Community Gym Project.

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	\$ 69,578
Revenue Accruals	83,933
Expenditure Accruals	(163,231)
Encumbrances	<u>(178,677)</u>
Budget Basis	<u>\$ (188,397)</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

Inactive Monies – Those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificate of deposit maturing no later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested in legal securities.

Cash on Hand

At fiscal year end, the School District had \$2,850 in undeposited cash on hand which is included on the basic financial statements of the School District as part of “equity in pooled cash, cash equivalents, and investments”.

Deposits

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

At year end, the carrying amount of the School District’s deposits was \$1,741,030 and the bank balance was \$1,938,939. Of the bank balance, \$114,781 was covered by federal depository insurance and the remaining \$1,824,158 was not exposed to custodial risk because it was secured by collateral pools of U.S. government and municipal securities established by each respective financial institution for the purpose of pledging a pool of collateral against all public deposits held, as permitted by Ohio law.

Investments

As of June 30, 2008, the School District had investments of \$1,213,906 in Money Market Mutual Funds and \$2,302,347 of Commercial Paper, both of which had a maturity of less than six months.

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

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

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Interest Rate Risk:

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

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

Credit Risk:

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

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

The School District's investments at June 30, 2008 in Money Market Mutual Fund and Commercial Paper were rated AAAM and A-1+, respectively by Standard and Poor's.

Concentration of Credit Risk:

The School District places no limit on the amount the District may invest in any one issuer; however, their investment policy also stresses diversification to limit potential losses.

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 prior 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, 2008 was \$68.70 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2008 taxes were collected are as follows:

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

	<u>2008 First Half Collections</u>	<u>2007 Second Half Collections</u>
Agricultural/residential And other real estate	\$ 458,071,860	\$ 445,491,640
Public utility personal	12,344,930	12,796,380
Tangible personal property	<u>7,679,367</u>	<u>8,687,426</u>
 Total	 <u>\$ 478,096,157</u>	 <u>\$ 466,975,446</u>

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2008. 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, 2008 was recognized as revenue.

The amount available as an advance at June 30 was \$509,391 in the General Fund, \$129,321 in the Bond Retirement Debt Service Fund and \$26,631 in the Permanent Improvement Capital Projects Fund. These amounts have been recorded as a reserve of fund balance.

NOTE 8 – CAPITAL ASSETS

Capital activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
<i><u>Capital Assets, not being depreciated</u></i>				
Land	\$ 3,432,055	\$ -	\$ -	\$ 3,432,055
Construction in Progress	<u>5,716,755</u>	<u>2,656,674</u>	<u>(6,942,752)</u>	<u>1,430,677</u>
Total Non-depreciable Capital Assets	<u>9,148,810</u>	<u>2,656,674</u>	<u>(6,942,752)</u>	<u>4,862,732</u>
<i><u>Capital Assets, being depreciated</u></i>				
Land Improvements	2,505,538	40,587	-	2,546,125
Buildings and Improvements	51,926,834	6,942,752	-	58,869,586
Furniture and Equipment	1,299,492	202,152	-	1,501,644
Vehicles	<u>2,662,231</u>	<u>703,350</u>	<u>(254,571)</u>	<u>3,111,010</u>
	<u>58,394,095</u>	<u>7,888,841</u>	<u>(254,571)</u>	<u>66,028,365</u>
<i><u>Less: Accumulated Depreciation</u></i>				
Land Improvements	(811,373)	(105,802)	-	(917,175)
Buildings and Improvements	(8,222,848)	(1,659,959)	-	(9,882,807)
Furniture and Equipment	(789,923)	(75,790)	-	(865,713)
Vehicles	<u>(2,066,369)</u>	<u>(190,302)</u>	<u>254,571</u>	<u>(2,002,100)</u>
	<u>(11,890,513)</u>	<u>(2,031,853) *</u>	<u>254,571</u>	<u>(13,667,795)</u>
Depreciable Capital Assets, Net	<u>46,503,582</u>	<u>5,856,988</u>	<u>-</u>	<u>52,360,570</u>
Total Capital Assets, Net	<u>\$ 55,652,392</u>	<u>\$ 8,513,662</u>	<u>\$ (6,942,752)</u>	<u>\$ 57,223,302</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

Instruction:	
Regular	\$ 56,324
Special	696
Support Services:	
Business	43,959
Operation and maintenance of plant	388
Pupil transportation	169,448
Central	5,260
Operation of non-instructional services	10,480
Extracurricular activities	27,363
Unallocated depreciation	<u>1,717,935</u>
Total Depreciation Expense	<u>\$ 2,031,853</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 9 - RECEIVABLES

Receivables at June 30, 2008, 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.

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 2008 the School District contracted with Selective Insurance Company for building and business property insurance. This policy has a limit of insurance in the amount of \$300 million for property and a \$1,000 deductible. Boiler and Crime are included in the policy. Fleet insurance has a \$1 million limit of liability. General liability insurance is under Selective of South Carolina Insurance Company and has a \$1 million per occurrence and \$3 million aggregate limitation. The superintendent, treasurer and board president are all bonded separately. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction in coverage from the prior year.

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

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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.

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 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. 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, 2008, 2007 and 2006 were \$440,172, \$405,636 and \$389,852 respectively, equal to the required contributions for each year.

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, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The 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. 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, 2008

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, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for the fiscal years ended June 30, 2008, 2007, and 2006 were \$1,549,608, \$1,471,800, and \$1,337,892, respectively, equal to required contributions for each year. Member and employer contributions actually made for defined contribution and combined plan participants will be provided upon written request.

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, 2008, 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

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS) and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Interested parties may obtain additional information regarding the benefits provided each system by obtaining the respective *Comprehensive Annual Financial Report* by following the directions noted in Note 11 above.

A. State Teachers Retirement System

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan and a combined plan which is a hybrid of the defined benefit and defined contribution plan. Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2008, 2007 and 2006. The 14 percent employer contribution rate is the maximum rate established under Ohio law.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

The amount of the School District's contributions to STRS allocated to post-employment health care for the years ended June 30, 2008, 2007 and 2006 were \$110,685, \$105,129, and \$100,149, respectively.

B. School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System (SERS) administers two postemployment benefit plans, Medicare Part B and Health Care Plans. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Medicare Part B Plan: The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium.

The Medicare Part B premium for calendar year 2008 was \$93.50; SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2008, the actuarially required allocation was 0.68 percent.

The amount of the School District's contribution to SERS allocated to the Medicare B Fund for the year ended June 30, 2008 was \$21,380.

Health Care Plan: Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2008, the health care allocation was 3.32 percent. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation, was 11.50 percent of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2008, the minimum compensation level was established at \$35,800.

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

The amount of the School District's contributions to SERS allocated to the Health Care Plan for the years ended June 30, 2008, 2007, and 2006 were \$152,302, \$148,275, and \$136,953, respectively.

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 \$71,335 at June 30, 2008.

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, 2008 was \$1,317,372.

NOTE 14 - LONG-TERM OBLIGATIONS

Activity of the School District's long-term obligations at June 30, 2008 was as follows:

	<u>Balance</u> <u>6/30/2007</u>	<u>Increases</u>	<u>Decrease</u>	<u>Balance</u> <u>6/30/2008</u>	<u>Due within</u> <u>One Year</u>
General Obligation Bonds:					
1994 School Construction					
Capital Appreciation 5-5.3%	\$ 934,617	\$ 87,885	\$ (540,000)	\$ 482,502	\$ 500,000
2003 Multi-Purpose Bonds:					
Current Interest 2%-5.25%	10,925,000	-	(1,070,000)	9,855,000	1,200,000
Capital Appreciation 4.13%-4.23%	809,304	54,917	-	864,221	-
2006 Refunding Bonds:					
Current Interest 3.75%-4.50%	34,390,000	-	(180,000)	34,210,000	100,000
Capital Appreciation 4.03%-4.12%	263,217	72,878	-	336,095	-
Deferred Amounts:					
Add: Bond Premium	2,311,697	-	(101,089)	2,210,608	-
Less: Deferred Refunding Amount	(1,350,068)	-	70,935	(1,279,133)	-
Total General Obligation Bonds	<u>48,283,767</u>	<u>215,680</u>	<u>(1,820,154)</u>	<u>46,679,293</u>	<u>1,800,000</u>
Compensated Absences	1,391,185	-	(18,331)	1,372,854	68,643
Capital Lease Obligation	<u>628,472</u>	<u>5,168,546</u>	<u>(258,290)</u>	<u>5,538,728</u>	<u>436,765</u>
Total Long-Term Obligations	<u>\$ 50,303,424</u>	<u>\$ 5,384,226</u>	<u>\$ (2,096,775)</u>	<u>\$ 53,590,875</u>	<u>\$ 2,305,408</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

General Obligation Bonds

The School District's general obligation bond issues will be paid through the debt service fund from property taxes collected by the County Auditor. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. All General obligation bonds outstanding were issued for the construction of school facilities or to advance refund previously issued school construction bonds. The District issued general obligation debt for the following purposes:

- \$34,625,000 of general obligation bonds issued in 2006 to provide resources to advance refund \$34,625,000 of current interest, general obligation bonds issued in 2003. These bonds include current interest and capital appreciation bonds. The capital appreciation bonds will mature in fiscal year 2019, 2020 and 2021. The maturity amount of the capital appreciation bonds is \$4.33 million. For fiscal year 2008, \$72,878 was accreted for a total bond value of \$336,095.
- In 2003, nearly \$48 million of general obligation bonds was issued to 1) provide \$43,985,000 for the construction of a new middle school building and 2) advance refund \$4,005,000 of general obligation bonds issued in 1994. These bonds include current interest bonds and capital appreciation bonds. The capital appreciation bonds will mature in fiscal years 2013 and 2014. The maturity amount of the capital appreciation bonds is \$1.2 million. For fiscal year 2008, \$54,917 was accreted for a total bond value of \$864,221.
- 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 mature in 2006 through 2008. The maturity amount of the bonds is \$2,120,000. For fiscal year 2008, \$540,000 of capital appreciation bonds matured and was paid. An additional \$87,885 was accreted bringing the total value of outstanding capital appreciation bonds to \$482,502 at June 30, 2008.

Principal and interest requirements to retire the District's long-term general obligation bonds outstanding at June 30, 2008 are as follows:

Fiscal Year <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,782,502	\$ 1,862,514	\$ 3,645,016
2010	2,040,000	1,786,916	3,826,916
2011	1,135,000	1,726,622	2,861,622
2012	1,260,000	1,679,904	2,939,904
2013	1,253,972	1,788,297	3,042,269
2014-2018	6,230,848	8,791,064	15,021,912
2019-2023	5,510,496	9,258,704	14,769,200
2024-2028	12,515,000	4,368,419	16,883,419
2029-2032	14,020,000	1,245,887	15,265,887
Total	<u>\$ 45,747,818</u>	<u>\$ 32,508,327</u>	<u>\$ 78,256,145</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Other Long-Term Obligations

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

Debt Limitations

The School District's voted legal debt margin, as determined under Ohio Revised Code Section 133.06(B), was approximately \$(1.2) million and the unvoted debt margin was \$478,096 at June 30, 2008. As defined by the Ohio Revised Code, the School District has been certified as an approved special needs district and is entitled to exceed the nine percent assessed value limit. The overall debt limit for an approved special needs district is adjusted for projected increases in tax valuation for the next ten years.

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2008, the School District entered into four separate capitalized lease agreements to provide financing for the local initiatives related the school construction and renovation project, the purchase of school buses, the renovation of the athletic stadium and the purchase of computer equipment. These leases meet the criteria of capital leases defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefit and risks of ownership to the lessee. In addition, in prior fiscal years, the School District acquired various pieces of computer equipment and a bus facility through capital leases. Principal payments on these capital leases will be reflected as debt service expenditures for the governmental funds.

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, 2008.

	Fiscal Year Ending June 30,	
	<u> </u>	
	2009	\$ 628,536
	2010	661,821
	2011	620,648
	2012	608,328
	2013	332,414
	2014-2018	1,656,984
	2019-2023	1,648,628
	2024-2028	1,268,824
	2029-2033	478,125
	2034-2037	<u>382,791</u>
Total Minimum Lease Payments		8,287,099
Less: Amount Representing Interest		<u>(2,748,371)</u>
Present Value of Minimum Lease Payments		<u>\$ 5,538,728</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

The capital assets acquired by lease agreements have been capitalized in the statement of net assets for governmental activities in the amount of \$3,622,604 (\$500,000 of construction in progress, \$1,716,639 of buildings, and \$1,405,965 of equipment), which is equal to the present value of the minimum lease payments at the time of acquisition. In addition, the School District is reporting \$2.3 million of cash with fiscal agent related to the Stadium Construction. As of June 30, 2008, only \$2 million of the \$4.3 million project had been drawn down by the District. The corresponding liability is 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 2008 totaled \$258,290.

NOTE 16 - INTERFUND ACTIVITY

Prior to fiscal year 2008, the School District provided temporary operating cash to the Title VI grant special revenue fund in the amount of \$ 545, and was recorded as an interfund receivable in the General Fund. These funds were anticipated to be repaid once grant receipts were received in the next fiscal year, however no such grant receipts were received as of June 30, 2008. Management will review the status of this transaction during fiscal year 2009 to determine if the funds will be received to repay the General Fund or if the advance of funds should be made permanent.

During the year the School District transferred \$11,000 from the General Fund to the Food Service Fund to provide operating cash for the fund. In addition, \$1,540,705 was transferred out of the Permanent Improvement Fund to the Debt Service Fund (\$40,705) to provide funds to repaid scheduled debt payments and to the Building Fund (\$1.5 million) to finance the local initiatives associated with the school facilities renovation and building project. The School District then transferred \$750,000 out of the Building Fund to the General Fund to repay the amount transferred by the General Fund in the prior fiscal year associated with the local initiatives.

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

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

The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and both Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. The School District paid MVECA \$69,599 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.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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.

NOTE 18 - CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

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.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 19 - 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, 2007	\$ (2,251,260)	\$(37,955,273)	\$(40,206,533)
Current Year Set-aside Requirement	411,534	411,534	823,068
Qualifying Disbursements	<u>(545,938)</u>	<u>(2,692,235)</u>	<u>(3,238,173)</u>
Total	<u>\$ (2,385,664)</u>	<u>\$(40,235,974)</u>	<u>\$(42,621,638)</u>
Balance Carried Forward to FY 2009	<u>\$ (2,385,664)</u>	<u>\$(40,235,974)</u>	

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

NOTE 20 – CONSTRUCTION COMMITMENTS

At June 30, 2008 the School District had the following significant outstanding construction commitments, all of which were associated with the Stadium Construction Project:

Rhecor General Contractor	\$ 681,836
The Motz Group	487,401
Kastle Electric	331,332
Dave York Sports	773,000
Wells Brothers	46,040
Other: Stadium Project Soft Costs	<u>300,000</u>
	<u>\$ 2,619,609</u>

Major Governmental Funds

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

General Fund

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

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

Debt Service Fund

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

Permanent Improvement Fund

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

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 4,834,627	\$ 4,751,627	\$ 3,256,502	\$ (1,495,125)
Intergovernmental	374,500	374,500	390,118	15,618
Total Revenues	<u>5,209,127</u>	<u>5,126,127</u>	<u>3,646,620</u>	<u>(1,479,507)</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	59,706	59,706	52,223	7,483
Debt Service:				
Principal Retirement	1,440,000	1,440,000	1,438,282	1,718
Interest and Fiscal Charges	2,190,294	2,190,294	2,232,715	(42,421)
Total Expenditures	<u>3,690,000</u>	<u>3,690,000</u>	<u>3,723,220</u>	<u>(33,220)</u>
Excess of Revenues Over(Under) Expenditures	<u>1,519,127</u>	<u>1,436,127</u>	<u>(76,600)</u>	<u>(1,512,727)</u>
Other Financing Sources (Uses):				
Transfers-In	-	-	40,705	40,705
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>40,705</u>	<u>40,705</u>
Net Change in Fund Balance	1,519,127	1,436,127	(35,895)	(1,472,022)
Fund Balance at Beginning of Year	<u>1,532,628</u>	<u>1,532,628</u>	<u>1,532,628</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,051,755</u>	<u>\$ 2,968,755</u>	<u>\$ 1,496,733</u>	<u>\$ (1,472,022)</u>

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 640,000	\$ 655,000	\$ 658,092	\$ 3,092
Intergovernmental	72,900	77,917	77,565	(352)
Miscellaneous	-	19,580	203,760	184,180
Total Revenues	<u>712,900</u>	<u>752,497</u>	<u>939,417</u>	<u>186,920</u>
Expenditures:				
Current:				
Instruction:				
Regular	3,000	3,000	9,831	(6,831)
Support Services:				
Instructional Staff	147,290	147,290	203,747	(56,457)
Fiscal	11,300	11,300	10,641	659
Plant Operation and Maintenance	11,342	11,342	22,620	(11,278)
Pupil Transportation	-	-	687,581	(687,581)
Extracurricular Activities	45,000	45,000	16,925	28,075
Captial Outlay	<u>483,546</u>	<u>4,157,391</u>	<u>3,441,885</u>	<u>715,506</u>
Total Expenditures	<u>701,478</u>	<u>4,375,323</u>	<u>4,393,230</u>	<u>(17,907)</u>
Excess of Revenues Over(Under) Expenditures	11,422	(3,622,826)	(3,453,813)	169,013
Other Financing Sources (Uses):				
Inception of Capital Lease	-	5,111,480	2,650,000	(2,461,480)
Transfers-Out	<u>-</u>	<u>(1,500,000)</u>	<u>(1,540,705)</u>	<u>(40,705)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,611,480</u>	<u>1,109,295</u>	<u>(2,502,185)</u>
Net Change in Fund Balance	11,422	(11,346)	(2,344,518)	(2,333,172)
Fund Balance at Beginning of Year	5,004	5,004	5,004	-
Prior Year Encumbrances Appropriated	<u>6,342</u>	<u>6,342</u>	<u>6,342</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 22,768</u>	<u>\$ -</u>	<u>\$ (2,333,172)</u>	<u>\$ (2,333,172)</u>

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Public School Support

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

Foundation Grants

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 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.

Miscellaneous State Grants

To account for the expenditures and resources associated with various state grants the District does not intend to receive on an on-going basis.

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 III Grant

To account for monies received under a federal grant to assist schools in the training of instructional and support staff in new instructional methods.

Title I Grant

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

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (Continued)

Title VI Grant

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

Drug Free Schools Program

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

Preschool Grant

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

Title VI-R Grant

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

School to Work Grant

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

Miscellaneous Federal Grants

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

Food Service Fund

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

Nonmajor 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

Building Fund

To account for all transactions, including bond proceeds, related to all construction levy funds in the School District.

School Net Plus

To account for state monies provided to upgrade the instructional technology capabilities within the District.

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, 2008

	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 291,003	\$ 256,278	\$ 547,281
Cash and Cash Equivalents with Fiscal Agent	-	4,223	4,223
Restricted Assets: Cash and Cash Equivalents	-	62,480	62,480
Total Assets	\$ 291,003	\$ 322,981	\$ 613,984
<u>Liabilities and Fund Balance:</u>			
Liabilities:			
Accounts Payable	\$ 3,158	\$ -	\$ 3,158
Interfund Payable	545	-	545
Payable from Restricted Assets: Retainage Payable	-	62,480	62,480
Total Liabilities	3,703	62,480	66,183
Fund Balance:			
Reserved for Encumbrances	68,396	288,346	356,742
Unreserved, Undesignated	218,904	(27,845)	191,059
Total Fund Balance	287,300	260,501	\$ 547,801
Total Liabilities and Fund Balance	\$ 291,003	\$ 322,981	\$ 613,984

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Public School Support	Foundation Grants	District Managed Student Activities	Management Information Systems
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 69,823	\$ 300	\$ 215,424	\$ -
Total Assets	<u>\$ 69,823</u>	<u>\$ 300</u>	<u>\$ 215,424</u>	<u>\$ -</u>
<u>Liabilities and Fund Balance:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balance:</u>				
Reserved for Encumbrances	15,719	-	52,677	-
Unreserved, Undesignated	54,104	300	162,747	-
Total Fund Balance	<u>69,823</u>	<u>300</u>	<u>215,424</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 69,823</u>	<u>\$ 300</u>	<u>\$ 215,424</u>	<u>\$ -</u>

<u>Data Communications</u>	<u>School Net Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B Grant</u>	<u>Title III Grant</u>	<u>Title I Grant</u>
\$ 3,163	\$ -	\$ -	\$ 804	\$ 1	\$ -	\$ -
<u>\$ 3,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>3,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>5</u>	<u>-</u>	<u>-</u>	<u>804</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>5</u>	<u>-</u>	<u>-</u>	<u>804</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>\$ 3,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008
(Continued)

	Title VI Grant	Drug Free Schools Grant	Preschool Grant	Title VI-R Grant
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 8	\$ -	\$ -	\$ 1,385
Total Assets	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,385</u>
<u>Liabilities and Fund Balance:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Interfund Payable	545	-	-	-
Total Liabilities	<u>545</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balance:</u>				
Reserved for Encumbrances	-	-	-	-
Unreserved, Undesignated	(537)	-	-	1,385
Total Fund Balance	<u>(537)</u>	<u>-</u>	<u>-</u>	<u>1,385</u>
Total Liabilities and Fund Balance	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,385</u>

School to Work Grant	Miscellaneous Federal Grants	Food Service	Total
\$ -	\$ -	\$ 95	\$ 291,003
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ 291,003</u>
\$ -	\$ -	\$ -	\$ 3,158
-	-	-	545
-	-	-	3,703
-	-	-	68,396
-	-	95	218,904
-	-	95	287,300
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ 291,003</u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

	Building Fund	School Net Plus	Community Gym Project	Total
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 256,277	\$ -	\$ 1	\$ 256,278
Cash and Cash Equivalents with Fiscal Agent	-	-	4,223	4,223
Restricted Assets: Cash and Cash Equivalents	62,480	-	-	62,480
Total Assets	<u>\$ 318,757</u>	<u>\$ -</u>	<u>\$ 4,224</u>	<u>\$ 322,981</u>
<u>Liabilities and Fund Balance:</u>				
<u>Liabilities:</u>				
Payable from Restricted Assets: Retainage Payable	\$ 62,480	\$ -	\$ -	\$ 62,480
Total Liabilities	62,480	-	-	62,480
<u>Fund Balance:</u>				
Reserved for Encumbrances	288,346	-	-	288,346
Unreserved, Undesignated	(32,069)	-	4,224	(27,845)
Total Fund Balance	256,277	-	4,224	260,501
Total Liabilities and Fund Balance	<u>\$ 318,757</u>	<u>\$ -</u>	<u>\$ 4,224</u>	<u>\$ 322,981</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, 2008

	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 984,120	\$ 18,942	\$ 1,003,062
Student Sales	544,891	-	544,891
Interest	1,053	(1)	1,052
Tuition and Fees	64,280	-	64,280
Extracurricular Activities	470,794	-	470,794
Miscellaneous	143,081	9,600	152,681
Total Revenues	<u>2,208,219</u>	<u>28,541</u>	<u>2,236,760</u>
Expenditures:			
Current:			
Instruction:			
Regular	27,663	-	27,663
Special	247,892	18,942	266,834
Support Services:			
Pupils	484,899	-	484,899
Instructional Staff	131,555	-	131,555
Administration	1,500	-	1,500
Non-Instructional Services	665,363	-	665,363
Extracurricular Activities	652,779	-	652,779
Capital Outlay	-	865,809	865,809
Total Expenditures	<u>2,211,651</u>	<u>884,751</u>	<u>3,096,402</u>
Excess of Revenues Over(Under) Expenditures	(3,432)	(856,210)	(859,642)
Other Financing Sources(Uses):			
Transfers-In	11,000	1,500,000	1,511,000
Transfers-Out	-	(750,000)	(750,000)
Total Other Financing Sources(Uses)	<u>11,000</u>	<u>750,000</u>	<u>761,000</u>
Net Change in Fund Balances	7,568	(106,210)	(98,642)
Fund Balance at Beginning of Year	<u>279,732</u>	<u>366,711</u>	<u>646,443</u>
Fund Balance at End of Year	<u><u>\$ 287,300</u></u>	<u><u>\$ 260,501</u></u>	<u><u>\$ 547,801</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, 2008

	Public School Support	Foundation Grants	District Managed Student Activities	Management Information Systems
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 37,692	\$ 9,224
Student Sales	2,352	-	1,617	-
Interest	-	-	-	-
Tuition and Fees	-	-	64,280	-
Extracurricular Activities	66,741	-	404,053	-
Miscellaneous	115,434	-	27,569	-
Total Revenues	<u>184,527</u>	<u>-</u>	<u>535,211</u>	<u>9,224</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Support Services:				
Pupils	25,251	-	-	9,224
Instructional Staff	30,938	-	-	-
Administration	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	132,892	-	519,887	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>189,081</u>	<u>-</u>	<u>519,887</u>	<u>9,224</u>
Excess of Revenues Over(Under) Expenditures	(4,554)	-	15,324	-
Other Financing Sources(Uses):				
Transfers-In	-	-	-	-
Total Other Financing Sources(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,554)	-	15,324	-
Fund Balance at Beginning of Year	<u>74,377</u>	<u>300</u>	<u>200,100</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 69,823</u>	<u>\$ 300</u>	<u>\$ 215,424</u>	<u>\$ -</u>

Data Communications	School Net Professional Development	Ohio Reads Grant	Miscellaneous State Grants	Title VI-B Grant	Title III Grant	Title I Grant
\$ 15,000	\$ 2,970	\$ -	\$ 6,517	\$ 534,852	\$ 16,068	\$ 162,471
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	78	-	-	-	-
<u>15,000</u>	<u>2,970</u>	<u>78</u>	<u>6,517</u>	<u>534,852</u>	<u>16,068</u>	<u>162,471</u>
-	-	-	6,269	-	-	-
-	-	-	-	77,481	-	162,471
-	-	-	-	450,424	-	-
20,657	2,970	-	-	-	16,068	-
-	-	-	1,500	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>20,657</u>	<u>2,970</u>	<u>-</u>	<u>7,769</u>	<u>527,905</u>	<u>16,068</u>	<u>162,471</u>
(5,657)	-	78	(1,252)	6,947	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(5,657)	-	78	(1,252)	6,947	-	-
5,662	-	(78)	2,056	(6,946)	-	-
<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**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, 2008
(Continued)

	Title VI Grant	Drug Free Schools Grant	Preschool Grant	Title VI-R Grant
Revenues:				
Intergovernmental	\$ 6,036	\$ 6,308	\$ 20,150	\$ 51,666
Student Sales	-	-	-	-
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>6,036</u>	<u>6,308</u>	<u>20,150</u>	<u>51,666</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	20,150	-
Special	6,028	-	-	-
Support Services:				
Pupils	-	-	-	-
Instructional Staff	-	6,308	-	54,214
Administration	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>6,028</u>	<u>6,308</u>	<u>20,150</u>	<u>54,214</u>
Excess of Revenues Over(Under) Expenditures	8	-	-	(2,548)
Other Financing Sources(Uses):				
Transfers-In	-	-	-	-
Total Other Financing Sources(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	8	-	-	(2,548)
Fund Balance at Beginning of Year	<u>(545)</u>	<u>-</u>	<u>-</u>	<u>3,933</u>
Fund Balance at End of Year	<u>\$ (537)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,385</u>

School to Work Grant	Miscellaneous Federal Grants	Food Service	Total
\$ 1,644	\$ 1,912	\$ 111,610	\$ 984,120
-	-	540,922	544,891
-	-	1,053	1,053
-	-	-	64,280
-	-	-	470,794
-	-	-	143,081
<u>1,644</u>	<u>1,912</u>	<u>653,585</u>	<u>2,208,219</u>
1,244	-	-	27,663
-	1,912	-	247,892
-	-	-	484,899
400	-	-	131,555
-	-	-	1,500
-	-	665,363	665,363
-	-	-	652,779
-	-	-	-
<u>1,644</u>	<u>1,912</u>	<u>665,363</u>	<u>2,211,651</u>
-	-	(11,778)	(3,432)
-	-	11,000	11,000
-	-	11,000	11,000
-	-	(778)	7,568
-	-	873	279,732
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ 287,300</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, 2008

	Building Fund	School Net Plus	Community Gym Project	Total
Revenues:				
Intergovernmental	\$ -	\$ 18,942	\$ -	\$ 18,942
Interest	753	-	(754)	(1)
Miscellaneous	2,500	-	7,100	9,600
Total Revenues	<u>3,253</u>	<u>18,942</u>	<u>6,346</u>	<u>28,541</u>
Expenditures:				
Current:				
Instruction:				
Special	-	18,942	-	18,942
Capital Outlay	848,196	-	17,613	865,809
Total Expenditures	<u>848,196</u>	<u>18,942</u>	<u>17,613</u>	<u>884,751</u>
Excess of Revenues Over(Under) Expenditures	(844,943)	-	(11,267)	(856,210)
Other Financing Sources(Uses):				
Transfers-In	1,500,000	-	-	1,500,000
Transfers-Out	(750,000)	-	-	(750,000)
Total Other Financing Sources(Uses)	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Net Change in Fund Balances	(94,943)	-	(11,267)	(106,210)
Fund Balance at Beginning of Year	<u>351,220</u>	<u>-</u>	<u>15,491</u>	<u>366,711</u>
Fund Balance at End of Year	<u>\$ 256,277</u>	<u>\$ -</u>	<u>\$ 4,224</u>	<u>\$ 260,501</u>

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 100,000	\$ 100,000	\$ 79,000	\$ (21,000)
Miscellaneous	<u>100,000</u>	<u>150,000</u>	<u>105,673</u>	<u>(44,327)</u>
Total Revenues	<u>200,000</u>	<u>250,000</u>	<u>184,673</u>	<u>(65,327)</u>
Expenditures:				
Current:				
Support Services:				
Pupils	25,500	25,500	25,251	249
Instructional Staff	27,046	27,046	42,665	(15,619)
Extracurricular Activities	<u>154,726</u>	<u>204,726</u>	<u>136,884</u>	<u>67,842</u>
Total Expenditures	<u>207,272</u>	<u>257,272</u>	<u>204,800</u>	<u>52,472</u>
Net Change in Fund Balance	(7,272)	(7,272)	(20,127)	(12,855)
Fund Balance at Beginning of Year	67,106	67,106	67,106	-
Prior Year Encumbrances Appropriated	<u>7,272</u>	<u>7,272</u>	<u>7,272</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 67,106</u>	<u>\$ 67,106</u>	<u>\$ 54,251</u>	<u>\$ (12,855)</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOUNDATION GRANTS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Vocational	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Total Expenditures	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Net Change in Fund Balance	(300)	(300)	-	300
Fund Balance at Beginning of Year	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 300</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 106,542	\$ 136,542	\$ 37,692	\$ (98,850)
Tuition and Fees	-	-	94,992	94,992
Extracurricular Activities	500,000	500,000	373,192	(126,808)
Miscellaneous	-	-	27,569	27,569
Total Revenues	<u>606,542</u>	<u>636,542</u>	<u>533,445</u>	<u>(103,097)</u>
Expenditures:				
Current:				
Extracurricular Activities	<u>593,558</u>	<u>730,100</u>	<u>572,566</u>	<u>157,534</u>
Total Expenditures	<u>593,558</u>	<u>730,100</u>	<u>572,566</u>	<u>157,534</u>
Net Change in Fund Balance	12,984	(93,558)	(39,121)	54,437
Fund Balance at Beginning of Year	106,497	106,497	106,497	-
Prior Year Encumbrances Appropriated	<u>93,558</u>	<u>93,558</u>	<u>93,558</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 213,039</u>	<u>\$ 106,497</u>	<u>\$ 160,934</u>	<u>\$ 54,437</u>

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 9,224	\$ 9,224	\$ 9,224	\$ -
Total Revenues	<u>9,224</u>	<u>9,224</u>	<u>9,224</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	<u>9,000</u>	<u>9,224</u>	<u>9,224</u>	<u>-</u>
Total Expenditures	<u>9,000</u>	<u>9,224</u>	<u>9,224</u>	<u>-</u>
Net Change in Fund Balance	224	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DATA COMMUNICATIONS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>20,662</u>	<u>20,662</u>	<u>20,656</u>	<u>6</u>
Total Expenditures	<u>20,662</u>	<u>20,662</u>	<u>20,656</u>	<u>6</u>
Net Change in Fund Balance	(5,662)	(5,662)	(5,656)	6
Fund Balance at Beginning of Year	<u>5,662</u>	<u>5,662</u>	<u>5,662</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6</u></u>	<u><u>\$ 6</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,970	\$ 2,970	\$ 2,970	\$ -
Total Revenues	<u>2,970</u>	<u>2,970</u>	<u>2,970</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>2,970</u>	<u>2,970</u>	<u>2,970</u>	<u>-</u>
Total Expenditures	<u>2,970</u>	<u>2,970</u>	<u>2,970</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
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
OHIO READS GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Support Services:				
Instructional Staff	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MICELLANEOUS STATE GRANTS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Total Revenues	\$ 6,517	\$ 6,517	\$ 6,517	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	7,017	7,017	6,428	589
Support Services:				
Administration	-	1,500	1,500	-
Plant Operation and Maintenance	<u>56</u>	<u>56</u>	<u>-</u>	<u>56</u>
Total Expenditures	<u>7,073</u>	<u>8,573</u>	<u>7,928</u>	<u>645</u>
Excess of Revenues Over(Under) Expenditures	(556)	(2,056)	(1,411)	645
Other Financing Sources:				
Advances-In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(556)	(2,056)	(1,411)	645
Fund Balance at Beginning of Year	<u>2,056</u>	<u>2,056</u>	<u>2,056</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 645</u>	<u>\$ 645</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 534,852	\$ 534,852	\$ 534,852	\$ -
Total Revenues	<u>534,852</u>	<u>534,852</u>	<u>534,852</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	86,886	86,886	87,314	(428)
Support Services:				
Pupils	<u>450,853</u>	<u>450,853</u>	<u>450,425</u>	<u>428</u>
Total Expenditures	<u>537,739</u>	<u>537,739</u>	<u>537,739</u>	<u>-</u>
Net Change in Fund Balance	(2,887)	(2,887)	(2,887)	-
Fund Balance at Beginning of Year	<u>2,887</u>	<u>2,887</u>	<u>2,887</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE III GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 16,068	\$ 16,068	\$ 16,068	\$ -
Total Revenues	<u>16,068</u>	<u>16,068</u>	<u>16,068</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>16,068</u>	<u>16,068</u>	<u>16,068</u>	<u>-</u>
Total Expenditures	<u>16,068</u>	<u>16,068</u>	<u>16,068</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 156,964	\$ 162,471	\$ 162,471	\$ -
Total Revenues	<u>156,964</u>	<u>162,471</u>	<u>162,471</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	<u>156,964</u>	<u>162,471</u>	<u>162,471</u>	<u>-</u>
Total Expenditures	<u>156,964</u>	<u>162,471</u>	<u>162,471</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 3,746	\$ 6,036	\$ 6,036	\$ -
Total Revenues	<u>3,746</u>	<u>6,036</u>	<u>6,036</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	<u>3,746</u>	<u>6,036</u>	<u>6,028</u>	<u>8</u>
Total Expenditures	<u>3,746</u>	<u>6,036</u>	<u>6,028</u>	<u>8</u>
Net Change in Fund Balance	-	-	8	8
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>\$ 8</u>	<u>\$ 8</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 6,308	\$ 6,308	\$ 6,308	\$ -
Total Revenues	<u>6,308</u>	<u>6,308</u>	<u>6,308</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>6,308</u>	<u>6,308</u>	<u>6,308</u>	<u>-</u>
Total Expenditures	<u>6,308</u>	<u>6,308</u>	<u>6,308</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PRESCHOOL GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 20,150	\$ 20,150	\$ 20,150	\$ -
Total Revenues	<u>20,150</u>	<u>20,150</u>	<u>20,150</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>20,150</u>	<u>20,150</u>	<u>20,150</u>	<u>-</u>
Total Expenditures	<u>20,150</u>	<u>20,150</u>	<u>20,150</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-R GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 51,035	\$ 55,550	\$ 51,666	\$ (3,884)
Total Revenues	<u>51,035</u>	<u>55,550</u>	<u>51,666</u>	<u>(3,884)</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>54,919</u>	<u>59,788</u>	<u>55,775</u>	<u>4,013</u>
Total Expenditures	<u>54,919</u>	<u>59,788</u>	<u>55,775</u>	<u>4,013</u>
Net Change in Fund Balance	(3,884)	(4,238)	(4,109)	129
Fund Balance at Beginning of Year	354	354	354	-
Prior Year Encumbrances Appropriated	<u>3,884</u>	<u>3,884</u>	<u>3,884</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 354</u>	<u>\$ -</u>	<u>\$ 129</u>	<u>\$ 129</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,621	\$ 1,644	\$ 1,644	\$ -
Total Revenues	<u>1,621</u>	<u>1,644</u>	<u>1,644</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,212	1,241	1,244	(3)
Support Services:				
Instructional Staff	<u>409</u>	<u>403</u>	<u>400</u>	<u>3</u>
Total Expenditures	<u>1,621</u>	<u>1,644</u>	<u>1,644</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
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
FOOD SERVICE PROGRAM - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 93,000	\$ 96,420	\$ 111,610	\$ 15,190
Interest	2,500	2,500	1,053	(1,447)
Charges for Services	<u>580,374</u>	<u>566,480</u>	<u>541,796</u>	<u>(24,684)</u>
 Total Revenues	 <u>675,874</u>	 <u>665,400</u>	 <u>654,459</u>	 <u>(10,941)</u>
 Expenditures:				
Current:				
Support Services:				
Non-Instructional Services	<u>675,000</u>	<u>665,400</u>	<u>665,364</u>	<u>36</u>
 Total Expenditures	 <u>675,000</u>	 <u>665,400</u>	 <u>665,364</u>	 <u>36</u>
 Excess of Revenues Over(Under) Expenditures	 874	 -	 (10,905)	 (10,905)
 Other Financing Sources (Uses):				
Transfers-In	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>11,000</u>
 Net Change in Fund Balance	 874	 -	 95	 95
 Fund Balance at Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance at End of Year	 <u>\$ 874</u>	 <u>\$ -</u>	 <u>\$ 95</u>	 <u>\$ 95</u>

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ -	\$ 743	\$ 753	\$ 10
Miscellaneous	-	2,500	2,500	-
Total Revenues	-	3,243	3,253	10
Expenditures:				
Capital Outlay	2,549,468	3,310,830	2,030,964	1,279,866
Total Expenditures	2,549,468	3,310,830	2,030,964	1,279,866
Excess of Revenues Over(Under) Expenditures	(2,549,468)	(3,307,587)	(2,027,711)	1,279,876
Other Financing Sources:				
Transfers-In	1,308,650	2,808,118	1,500,000	(1,308,118)
Transfers-Out	-	(750,000)	(750,000)	-
Total Other Financing Sources (Uses)	1,308,650	2,058,118	750,000	(1,308,118)
Net Change in Fund Balance	(1,240,818)	(1,249,469)	(1,277,711)	(28,242)
Fund Balance at Beginning of Year	58,652	58,652	58,652	-
Prior Year Encumbrances Appropriated	1,249,469	1,249,469	1,249,469	-
Fund Balance at End of Year	\$ 67,303	\$ 58,652	\$ 30,410	\$ (28,242)

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 18,942	\$ 18,942	\$ 18,942	\$ -
Total Revenues	<u>18,942</u>	<u>18,942</u>	<u>18,942</u>	<u>-</u>
Expenditures:				
Current:				
Instructional Staff	<u>18,942</u>	<u>18,942</u>	<u>18,942</u>	<u>-</u>
Total Expenditures	<u>18,942</u>	<u>18,942</u>	<u>18,942</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
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
COMMUNITY GYM PROJECT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ 1,000	\$ 1,000	\$ (754)	\$ (1,754)
Miscellaneous	-	5,500	7,100	1,600
Total Revenues	<u>1,000</u>	<u>6,500</u>	<u>6,346</u>	<u>(154)</u>
Expenditures:				
Capital Outlay	<u>15,600</u>	<u>15,600</u>	<u>17,613</u>	<u>(2,013)</u>
Total Expenditures	<u>15,600</u>	<u>15,600</u>	<u>17,613</u>	<u>(2,013)</u>
Net Change in Fund Balance	(14,600)	(9,100)	(11,267)	(2,167)
Fund Balance at Beginning of Year	<u>15,491</u>	<u>15,491</u>	<u>15,491</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 891</u>	<u>\$ 6,391</u>	<u>\$ 4,224</u>	<u>\$ (2,167)</u>

Fiduciary Funds

Private-Purpose Trust Funds

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

Scholarship Trust Fund

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

Memorial Scholarship Trust Fund

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

Agency Funds

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

Student Managed Activities Fund

To account for the resources belonging to the various student groups in the District. The fund accounts 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, 2008

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 143	\$ -	\$ 143
Cash and Cash Equivalents:			
With Fiscal Agent	9,328	227,620	236,948
Total Assets	9,471	227,620	237,091
Net Assets:			
Held in trust for scholarships	9,471	227,620	237,091
Total Net Assets	\$ 9,471	\$ 227,620	\$ 237,091

**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, 2008

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Additions:			
Gifts and Donations	\$ 4,418	\$ 13,093	\$ 17,511
Investment Earnings	94	(4,912)	(4,818)
Total Additions	4,512	8,181	12,693
Deductions:			
Payments in accordance with trust agreements	2,500	-	2,500
Total Deductions	2,500	-	2,500
Change in Net Assets	2,012	8,181	10,193
Net Assets Beginning of Year	7,459	219,439	226,898
Net Assets End of Year	\$ 9,471	\$ 227,620	\$ 237,091

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 3,000	\$ 3,000	\$ 4,418	\$ 1,418
Interest	<u>250</u>	<u>250</u>	<u>94</u>	<u>(156)</u>
Total Revenues	<u>3,250</u>	<u>3,250</u>	<u>4,512</u>	<u>1,262</u>
Expenses:				
Student Scholarships	<u>3,250</u>	<u>3,250</u>	<u>2,500</u>	<u>750</u>
Total Expenses	<u>3,250</u>	<u>3,250</u>	<u>2,500</u>	<u>750</u>
Net Change in Fund Balance	-	-	2,012	2,012
Fund Equity at Beginning of Year	<u>7,460</u>	<u>7,460</u>	<u>7,460</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 7,460</u>	<u>\$ 7,460</u>	<u>\$ 9,472</u>	<u>\$ 2,012</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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 11,500	\$ 11,500	\$ 13,093	\$ 1,593
Interest	-	-	(4,912)	(4,912)
Total Revenues	<u>11,500</u>	<u>11,500</u>	<u>8,181</u>	<u>(3,319)</u>
Expenses:				
Student Scholarships	<u>11,500</u>	<u>11,500</u>	-	<u>11,500</u>
Total Expenses	<u>11,500</u>	<u>11,500</u>	-	<u>11,500</u>
Net Change in Fund Balance	-	-	8,181	8,181
Fund Balance at Equity of Year	<u>219,438</u>	<u>219,438</u>	<u>219,438</u>	-
Fund Equity at End of Year	<u>\$ 219,438</u>	<u>\$ 219,438</u>	<u>\$ 227,619</u>	<u>\$ 8,181</u>

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

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
<u>Student Managed Activities</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 84,067	\$ 87,727	\$ 113,888	\$ 57,906
Total Assets	<u>84,067</u>	<u>87,727</u>	<u>113,888</u>	<u>57,906</u>
Liabilities:				
Due to Students	<u>84,067</u>	<u>87,727</u>	<u>113,888</u>	<u>57,906</u>
Total Liabilities	<u>\$ 84,067</u>	<u>\$ 87,727</u>	<u>\$ 113,888</u>	<u>\$ 57,906</u>



Statistical Section

INTRODUCTORY • FINANCIAL

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Fiscal Year Ended June 30, 2008

STATISTICAL SECTION

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

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time. These schedules can be found on pages 88 to 93.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the School District's most significant local revenue source, the property tax. These schedules can be found on pages 94 to 97.

Debt Capacity

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt as well as the School District's ability to issue additional debt in the future. These schedules can be found on pages 98 to 101.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place. These schedules can be found on pages 102 and 103.

Operating Information

These schedules contain information about the School District's operation and resources to help the reader understand how the School District's financial information relates to the services provided and activities performed. These schedules can be found on pages 104 to 107.

Sources: Unless otherwise noted, the information in these schedules is derived from the School District's annual financial reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information begin with that fiscal year.

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

NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:						
Invested in capital assets, net	\$ 7,784,164	\$ 7,237,845	\$ 7,237,984	\$ 8,517,400	\$ 7,950,873	\$ 7,225,799
of related debt	1,911,586	2,242,984	1,797,636	2,195,260	956,260	529,835
Restricted	(3,753,537)	(3,265,993)	(2,669,522)	(3,282,528)	(2,821,177)	(2,171,848)
Unrestricted	\$ 5,942,213	\$ 6,214,836	\$ 6,366,098	\$ 7,430,132	\$ 6,085,956	\$ 5,583,786
Total Net Assets:						

Notes:

- (1) The School District reports only governmental activities and has no component units
- (2) The School District began to report accrual information when it implemented GASB Statement No. 34 for fiscal year 2003.

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

**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST SIX FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses:						
Instruction:						
Regular (a)	\$ 10,509,035	\$ 10,756,955	\$ 10,089,546	\$ 9,735,077	\$ 8,764,573	\$ 7,913,107
Special	1,720,995	1,659,281	1,501,564	1,581,687	1,566,021	1,367,311
Vocational	-	-	-	-	-	109
Support Services:						
Pupils	2,596,663	2,283,925	1,020,040	1,067,645	973,272	924,738
Instructional staff	1,101,632	1,056,202	2,018,935	1,962,643	1,754,463	1,879,875
Board of education	44,698	44,951	71,887	75,315	55,746	38,388
Administration	1,822,276	1,876,113	1,924,465	1,720,829	1,557,300	1,438,747
Fiscal	788,610	746,366	681,595	579,921	643,629	547,138
Business	171,399	114,306	128,818	61,469	138,070	78,893
Operation and maintenance of plant (c)	2,410,088	3,145,981	2,138,966	2,137,229	1,754,322	1,479,444
Pupil transportation	1,744,557	1,704,925	1,529,588	1,744,302	1,541,395	1,447,002
Central	107,072	79,867	92,611	85,132	122,872	149,737
Operation of non-instructional services	679,863	656,777	702,319	712,394	582,234	487,976
Extracurricular activities	1,259,976	1,361,535	1,030,830	1,020,552	1,022,039	1,019,555
Interest and fiscal charges (b)	2,134,456	2,127,635	2,422,989	2,434,193	2,088,755	457,242
Unallocated depreciation	1,717,935	1,011,352	492,431	453,581	454,454	454,658
Total Expenses	<u>28,809,255</u>	<u>28,626,171</u>	<u>25,846,584</u>	<u>25,371,969</u>	<u>23,019,145</u>	<u>19,683,920</u>
Program Revenues:						
Charges for services and sales	1,533,959	1,404,571	1,233,624	1,206,150	1,220,579	1,102,121
Operating grants and contributions (d)	1,939,484	901,589	837,227	820,659	678,695	459,022
Capital grants and contributions	35,542	34,829	13,072	39,304	16,071	39,467
Total Program Revenues	<u>3,508,985</u>	<u>2,340,989</u>	<u>2,083,923</u>	<u>2,066,113</u>	<u>1,915,345</u>	<u>1,600,610</u>
Net (Expenses)/Revenue	<u>\$ (25,300,270)</u>	<u>\$ (26,285,182)</u>	<u>\$ (23,762,661)</u>	<u>\$ (23,305,856)</u>	<u>\$ (21,103,800)</u>	<u>\$ (18,083,310)</u>

Notes:

- (1) The School District reports only governmental activities and has no component units
- (2) The School District began to report accrual information when it implemented GASB Statement No. 34 for fiscal year 2003.
- (a) The School District's emphasis on lower teacher-to-student ratios to achieve academic goals resulted in increased instructional expenses over the past five fiscal years.
- (b) Increase in interest and fiscal charges relate to the \$44 million bond issued in FY2004.
- (c) Increase in expenses due to uncapitalized expenses of opening new instructional facilities.
- (d) In 2008, the School District began recognizing certain components of foundation funding as operating grants rather than general grants and entitlements based on Auditor of State's advice.

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

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS

LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2008	2007	2006	2005	2004	2003
Net (Expenses)/Revenue	\$ (25,300,270)	\$ (26,285,182)	\$ (23,762,661)	\$ (23,305,856)	\$ (21,103,800)	\$ (18,083,310)
General Revenues:						
Property taxes levied for:						
General purposes (a)	12,808,966	12,997,223	11,313,180	10,397,816	9,940,215	9,220,392
Debt service (b)	3,198,962	3,357,490	3,031,772	3,176,364	2,049,398	733,627
Capital outlay	649,119	641,168	630,020	624,011	613,909	416,449
Unrestricted grants and entitlements (c)	7,647,997	8,454,335	8,152,944	8,035,944	8,003,879	7,783,380
Investment earnings	190,099	421,024	677,010	705,577	393,815	41,603
Miscellaneous	532,504	262,680	263,359	1,710,320	209,441	194,438
Total General Revenues	<u>25,027,647</u>	<u>26,133,920</u>	<u>24,068,285</u>	<u>24,650,032</u>	<u>21,210,657</u>	<u>18,389,889</u>
Change in Net Assets	<u>\$ (272,623)</u>	<u>\$ (151,262)</u>	<u>\$ 305,624</u>	<u>\$ 1,344,176</u>	<u>\$ 106,857</u>	<u>\$ 306,579</u>

Notes:

- (1) The School District reports only governmental activities and has no component units
- (2) The School District began to report accrual information when it implemented GASB Statement No. 34 for fiscal year 2003.
- (a) Increases in property taxes levied for general purposes related to replacement levies approved by voters in 2004 and 2005, with collection of these taxes occurring in the subsequent calendar year.
- (b) Property taxes levied for debt service increased due to bond levy approved by voters in 2003 with collection of these taxes occurring in the subsequent calendar year.
- (c) In 2008, the School District began recognizing certain components of foundation funding as operating grants rather than general grants and entitlements based on Auditor of State's advice.

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

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund:										
Reserved	\$ 675,466	\$ 692,095	\$ 507,241	\$ 1,007,961	\$ 809,376	\$ 767,168	\$ 916,041	\$ 910,397	\$ 1,364,849	\$ 1,386,647
Unreserved	(2,671,312)	(2,757,519)	(1,845,194)	(2,163,267)	(2,008,967)	(1,800,271)	(1,610,389)	(238,616)	(503,658)	(353,515)
Total general fund	<u>\$ (1,995,846)</u>	<u>\$ (2,065,424)</u>	<u>\$ (1,337,953)</u>	<u>\$ (1,155,306)</u>	<u>\$ (1,199,591)</u>	<u>\$ (1,033,103)</u>	<u>\$ (694,348)</u>	<u>\$ 671,781</u>	<u>\$ 861,191</u>	<u>\$ 1,033,132</u>
All Other Governmental Funds:										
Reserved (a)	\$ 2,262,369	\$ 1,315,389	\$ 7,817,647	\$ 21,991,285	\$ 7,771,452	\$ 173,827	\$ 318,967	\$ 192,670	\$ 250,469	\$ 237,630
Unreserved, reported in:										
Special revenue funds	218,904	175,018	251,384	262,846	231,588	204,909	182,986	193,219	212,170	192,978
Debt service funds (b)	1,496,732	1,532,627	1,356,258	1,286,519	807,235	426,041	607,469	623,577	553,930	355,739
Capital project funds (a)	(76,608)	(634,376)	(311,787)	4,791,483	33,087,325	(561,382)	(1,039,434)	(1,063,610)	(1,120,834)	(1,455,471)
Total all other governmental funds	<u>\$ 3,901,397</u>	<u>\$ 2,388,658</u>	<u>\$ 9,113,502</u>	<u>\$ 28,332,133</u>	<u>\$ 41,897,600</u>	<u>\$ 243,395</u>	<u>\$ 69,988</u>	<u>\$ (54,144)</u>	<u>\$ (104,265)</u>	<u>\$ (669,124)</u>

Notes:

- (1) For fiscal year 2003 through 2008, the School District reported under GASB 34 and amounts reported include funds reported as enterprise funds prior to fiscal year 2003.
- (2) For fiscal years prior to 2003, the amounts reported include those reported for the general, special revenue, debt service and capital project fund types.
 - (a) The increases in the reservation of fund balance is attributed to outstanding encumbrances related to the school construction projects. These projects also account for the temporary spike in the reported fund balance associated with capital project funds.
 - (b) Fund balance reported for the debt service funds increased due to the passage of a bond levy in 2003 and the collection of the taxes associated with this levy beginning in 2004.

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

REVENUES, EXPENDITURES AND DEBT SERVICE RATIO OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues:										
Taxes (a)	\$ 16,750,503	\$ 16,997,718	\$ 14,906,339	\$ 14,154,000	\$ 12,605,432	\$ 10,408,965	\$ 10,614,577	\$ 10,082,554	\$ 10,136,830	\$ 9,884,944
Intergovernmental	9,611,962	9,362,357	9,003,243	8,895,907	8,701,300	8,281,458	7,307,438	6,138,509	5,542,868	5,146,234
Student sales	544,891	536,643	459,391	461,621	453,515	392,883	-	-	-	-
Interest	190,099	421,024	749,936	632,651	393,815	41,603	79,146	244,816	190,941	187,467
Tuition and fees	480,638	421,390	330,471	316,197	322,311	374,339	374,339	264,617	218,878	214,562
Extracurricular activities	470,794	446,538	443,762	428,332	444,753	463,954	344,884	402,438	331,579	236,874
Miscellaneous	562,201	265,174	259,717	1,683,831	177,198	194,438	181,172	292,660	97,137	98,816
Total Revenues	28,611,088	28,450,844	26,152,859	26,572,539	23,098,324	20,028,585	18,901,556	17,425,594	16,518,233	15,768,897
Expenditures:										
Instruction:										
Regular (b)	10,552,557	10,645,800	10,002,429	9,573,424	8,594,258	8,016,586	8,039,234	7,440,604	7,060,492	6,494,369
Special	1,730,515	1,651,310	1,499,283	1,590,898	1,559,557	1,368,347	1,380,161	1,339,386	1,098,782	1,046,192
Vocational	-	-	-	-	-	109	560	2,415	71	76
Support Services:										
Pupils	2,514,632	2,315,864	1,014,091	1,052,715	972,094	916,360	866,414	672,871	619,114	726,328
Instructional staff	1,106,372	1,038,887	2,020,570	1,918,511	1,780,790	1,910,973	1,686,636	1,346,733	1,354,933	989,732
Board of education	44,698	44,951	72,473	75,315	55,746	38,386	21,670	24,906	30,285	50,709
Administration	1,848,649	1,802,792	1,909,505	1,704,490	1,540,318	1,416,294	1,347,974	1,209,095	1,110,746	1,238,897
Fiscal	757,538	1,191,441	667,335	549,823	1,278,796	551,679	457,583	480,695	472,281	431,293
Business	118,141	111,676	128,818	98,728	100,811	82,377	104,742	62,134	58,874	29,318
Plant operation and maintenance	2,415,055	2,464,174	2,191,561	1,876,538	1,824,150	1,868,960	1,754,412	1,499,322	1,548,713	1,495,532
Pupil transportation	1,559,990	1,530,297	1,697,476	1,593,490	1,635,260	1,216,877	1,398,745	1,359,755	1,133,906	1,077,392
Central	101,812	78,552	92,611	85,132	122,872	150,139	103,046	114,645	4,191	6,182
Non-instructional services	668,807	648,396	688,702	697,632	565,274	470,887	312,276	6,350	16,211	19,522
Extracurricular activities	1,219,203	1,334,888	992,038	979,690	1,018,758	983,861	958,967	789,197	693,693	606,666
Capital outlay (c)	3,602,763	7,717,195	19,012,186	15,493,891	1,712,219	2,254,865	609,538	837,800	20,897	877,967
Debt Service:										
Principal retirement (c)	2,048,290	1,872,496	1,511,820	908,959	2,221,888	755,907	847,048	790,854	627,317	896,273
Interest and fiscal charges (c)	1,927,295	1,954,342	2,296,766	2,297,619	1,787,270	354,296	385,892	410,803	424,746	457,671
Total Expenditures	32,216,317	36,403,061	45,797,664	40,496,855	26,770,061	22,356,103	19,993,898	18,387,565	16,275,252	16,444,119
Excess or Revenues Over(Under) Expenditures	\$ (3,605,229)	\$ (7,952,217)	\$ (19,644,805)	\$ (13,924,316)	\$ (3,671,737)	\$ (2,327,518)	\$ (1,092,342)	\$ (961,971)	\$ 242,981	\$ (675,222)
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	13.89%	13.34%	14.22%	12.82%	16.00%	5.52%	6.36%	6.85%	6.47%	8.70%

Notes:

- (1) For fiscal year 2003 through 2008, the School District reported under GASB 34 and amounts reported include funds reported as enterprise funds prior to fiscal year 2003.
- (2) For fiscal years prior to 2003, the amounts reported include those reported for the general, special revenue, debt service and capital project fund types.
 - (a) Increases in property taxes levied for general purposes related to replacement levies approved by voters in 2004 and 2005, with collection of these taxes occurring in the subsequent calendar year.
 - (b) The School District's emphasis on lower teacher-to-student ratios to achieve academic goals resulted in increased instructional expenses over the past five fiscal years.
 - (c) Increase in capital outlay and debt service expenditures associated with the school construction and renovation project which is being financed through G.O. Bonds

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

**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Excess or Revenues Over(Under)	\$ (3,605,229)	\$ (7,952,217)	\$ (19,644,805)	\$ (13,924,316)	\$ (3,671,737)	\$ (2,327,518)	\$ (1,092,342)	\$ (961,971)	\$ 242,981	\$ (675,222)
Expenditures										
Other Financing Sources (Uses):										
Inception of capital lease	5,168,546	-	239,885	376,645	-	1,400,000	-	821,278	-	56,493
Refund of prior year expenditures	-	-	-	-	-	-	-	-	-	17,258
Payment to escrow agent	-	(36,432,310)	-	-	(4,296,939)	-	-	-	-	-
Proceeds from sale of bonds	-	34,625,000	-	47,990,000	-	-	-	-	150,000	-
Premium on sale of bonds	-	2,281,310	-	1,434,150	-	-	-	-	-	-
Proceeds from sale of capital assets	19,000	25,902	3,642	26,489	32,243	-	-	-	70	1,484
Transfers-In	2,301,705	768,000	19,571	378,756	44,388,141	342,550	584,529	330,673	330,048	387,335
Transfers-Out	(2,301,705)	(768,000)	(19,571)	(378,756)	(44,388,141)	(342,550)	(733,988)	(330,673)	(330,048)	(387,335)
Total Other Financing Sources(Uses)	<u>5,187,546</u>	<u>499,902</u>	<u>243,527</u>	<u>403,134</u>	<u>45,159,454</u>	<u>1,400,000</u>	<u>(149,459)</u>	<u>821,278</u>	<u>150,070</u>	<u>75,235</u>
Net Change in Fund Balances	<u>\$ 1,582,317</u>	<u>\$ (7,452,315)</u>	<u>\$ (19,401,278)</u>	<u>\$ (13,521,182)</u>	<u>\$ 41,487,717</u>	<u>\$ (927,518)</u>	<u>\$ (1,241,801)</u>	<u>\$ (140,693)</u>	<u>\$ 393,051</u>	<u>\$ (599,987)</u>

Notes:

- (1) For fiscal year 2003 through 2008, the School District reported under GASB 34 and amounts reported include funds reported as enterprise funds prior to fiscal year 2003.
- (2) For fiscal years prior to 2003, the amounts reported include those reported for the general, special revenue, debt service and capital project fund types.

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

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

COLLECTION YEAR	Real Estate		Public Utility		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)	
2008	\$ 458,071,860	\$ 1,308,776,743	\$ 12,344,930	\$ 14,028,330	\$ 7,679,367	\$ 30,717,468	\$ 478,096,157	\$ 1,353,522,540	35.32%
2007	445,491,640	1,272,833,257	12,796,380	14,541,341	8,687,426	34,749,704	466,975,446	1,322,124,302	35.32%
2006	434,978,060	1,242,794,457	13,127,490	14,917,602	10,102,419	40,409,676	458,207,969	1,298,121,735	35.30%
2005	394,071,960	1,125,919,886	13,430,790	15,262,261	11,236,327	44,945,308	418,739,077	1,186,127,455	35.30%
2004	379,227,120	1,083,506,057	13,885,810	15,779,330	11,534,541	46,138,164	404,647,471	1,145,423,551	35.33%
2003	370,848,680	1,059,567,657	14,549,950	16,534,034	9,096,142	36,384,568	394,494,772	1,112,486,259	35.46%
2002	315,024,430	900,069,800	13,638,300	15,498,068	9,210,699	36,842,796	337,873,429	952,410,664	35.48%
2001	302,615,780	864,616,514	21,443,570	24,367,693	9,686,795	38,747,180	333,746,145	927,731,387	35.97%
2000	290,916,830	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%

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

Notes:

- (A) Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.
- (1) This amount is calculated based on the following percentages:
Real Property (including public utility real property) - assessed at 35 percent of estimated true value. The tax revenues generated by real property are generated by multiplying the assessed values by the applicable rates would be reduced by 10 percent and 12.5 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.
Personal Property - the personal property tax is assessed on all tangible personal property used in business; railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and will be eliminated in 2009 by the applicable rates, generated the property tax revenue billed in that year.

SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Collection Year	School District Direct Rates				Overlapping Rates (b)			
	General Purposes	Bond Retirement	Capital Improvement	Total	Greene County	Joint Vocational School	Sugarcreek Township	TOTAL
2008	\$ 59.30	\$ 7.40	\$ 2.00	\$ 68.70	\$ 12.05	\$ 3.45	\$ 21.10	\$ 105.30
2007	59.30	8.00	2.00	69.30	12.05	3.45	21.10	105.90
2006	59.30	8.00	2.00	69.30	12.80	3.45	21.10	106.65
2005	59.30	8.50	2.00	69.80	11.80	3.45	20.90	105.95
2004	59.30	8.50	2.00	69.80	10.57	3.45	20.90	104.72
2003	59.30	1.50	2.00	62.80	10.83	3.45	20.90	97.98
2002	59.30	2.20	2.00	63.50	10.63	3.45	20.90	98.48
2001	(a)	(a)	(a)	63.58	10.63	3.45	20.90	98.56
2000	(a)	(a)	(a)	64.24	9.38	3.45	20.90	97.97
1999	(a)	(a)	(a)	64.70	9.08	3.45	20.90	98.13

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

Notes:

(a) - Breakout of tax rates was not available will be added over the years or as information becomes available

(b) - Rates include levies for operating and debt service.

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

PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND EIGHT YEARS AGO

Name of Taxpayer	Fiscal Year 2008			Fiscal Year 2000 (a)		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dayton Power and Light Company	\$ 11,764,540	1	2.46%	\$ 18,246,670	1	6.11%
Sugarcreek Plaza II, LLC	5,527,140	2	1.16%	2,200,560	6	0.74%
Lofino Properties LLC	4,845,940	3	1.01%	3,159,700	3	1.06%
Mill Pond Limited Partnership	3,588,560	4	0.75%	2,847,760	4	0.95%
Target	3,459,770	5	0.72%	-		0.00%
HD Development of Maryland, Inc.	3,344,120	6	0.70%	-		0.00%
Five Seasons Sports Country Club	3,309,360	7	0.69%	1,988,820	8	0.67%
RLG Center Point LTD	2,503,580	8	0.52%	-		0.00%
Briggs Road Associates	2,081,720	9	0.44%	1,613,220	9	0.54%
Kroger Limited Partnership	2,011,780	10	0.42%	-		0.00%
Papock Herber	-		0.00%	3,650,360	2	1.22%
Ohio Bell Telephone Company	-		0.00%	2,558,850	5	0.86%
Sugarcreek Associates	-		0.00%	2,088,060	7	0.70%
Spears Wendell E	-		0.00%	1,550,080	10	0.52%
Subtotal	42,436,510		8.88%	39,904,080		13.36%
All Other Taxpayers	435,659,647		91.12%	258,688,149		86.64%
Total Assessed Valuation	\$ 478,096,157		100.00%	\$ 298,592,229		100.00%

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

Notes:

(a) - 2000 was the first year the information was available.

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

Collection Year	Total Tax Levy	Current Tax Collection	Delinquent Tax Collections (a)	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
2007	\$ 20,627,060	\$ 17,693,177	\$ 417,394	\$ 18,110,571	87.80%	\$ 878,065	4.26%
2006	19,572,756	17,923,771	427,865	18,351,636	93.76%	615,977	3.15%
2005	16,036,531	15,603,563	337,791	15,941,354	99.41%	712,396	4.44%
2004	14,535,834	13,850,562	287,470	14,138,032	97.26%	449,712	3.09%
2003	11,612,588	11,035,061	310,316	11,345,377	97.70%	373,855	3.22%
2002	11,930,320	11,210,884	254,275	11,465,159	96.10%	492,832	4.13%
2001	12,192,589	11,479,785	314,037	11,793,822	96.73%	435,486	3.57%
2000	11,957,856	11,228,520	281,061	11,509,581	96.25%	436,780	3.65%
1999	10,964,776	10,548,683	246,957	10,795,640	98.46%	379,340	3.46%
1998	10,246,421	9,719,506	172,323	9,891,829	96.54%	380,587	3.71%

Source: Greene County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor. Amounts include state reimbursements of homestead and rollback exemptions as these amounts could not be practically excluded. Collection year 2006 is the latest complete information available.

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

**OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Loans Payable	Capital Leases	Total Debt	Percentage of Personal Income (a)	Per Capita (a)
2008	\$ 45,747,818	\$ -	\$ 5,538,728	\$ 51,286,546	7.83%	\$ 3,549
2007	47,322,138	-	628,472	47,950,610	8.18%	3,318
2006	48,653,653	-	930,968	49,584,621	9.38%	3,431
2005	49,685,613	75,500	937,403	50,698,516	10.23%	3,509
2004	50,122,026	151,000	794,217	51,067,243	10.99%	3,534
2003	6,461,959	226,500	2,480,605	9,169,064	2.11%	672
2002	6,801,155	372,000	498,870	7,672,025	1.82%	562
2001	7,209,508	512,500	701,058	8,423,066	2.01%	581
2000	7,178,026	648,000	38,042	7,864,068	1.98%	542
1999	7,509,485	783,500	48,400	8,341,385	2.23%	779

Notes:

- (1) - The School District reports only governmental activities and has no component units.
(a) - See demographics schedule for personal income and population data. These ratios are calculated using personal income and population for prior calendar year.

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

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Net General Obligation Bonds Outstanding	Percentage of Estimated Actual Property Value	Per Capita (a)
2008	\$ 45,747,818	\$ 1,496,732	\$ 44,251,086	3.27%	\$ 3,062
2007	47,322,138	1,532,627	45,789,511	3.46%	3,169
2006	48,653,653	1,356,258	47,297,395	3.64%	3,273
2005	49,685,613	1,286,519	48,399,094	4.08%	3,349
2004 (b)	50,122,026	807,235	49,314,791	4.31%	3,413
2003	6,461,959	426,041	6,035,918	0.54%	442
2002	6,801,155	607,469	6,193,686	0.65%	454
2001	7,209,508	623,577	6,585,931	0.71%	454
2000	7,178,026	553,930	6,624,096	0.75%	457
1999	7,509,485	355,739	7,153,746	0.87%	668

Notes:

- (1) - The School District reports only governmental activities and has no component units.
(a) - See demographics schedule for population data. These ratios are calculated using population for prior calendar year.
(b) - Increase in G.O. bonds associated with bond levy approved by voters in 2003 which

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Greene County	\$ 33,250,000	13.39%	\$ 4,452,175
Subtotal, Overlapping Debt			4,452,175
School District Direct Debt			<u>51,286,546</u>
Total Direct and Overlapping Debt			<u>\$ 55,738,721</u>

Source: Greene County Auditor.

Notes:

(1) - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

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

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

LEGAL DEBT MARGIN INFORMATION
LAST NINE FISCAL YEARS

	Fiscal Year								
	2008	2007	2006	2005	2004	2003	2002	2001	2000
Assessed Value	\$ 478,096,157	\$ 466,975,446	\$ 458,207,969	\$ 418,739,077	\$ 402,873,212	\$ 394,494,772	\$ 337,873,429	\$ 333,746,145	\$ 298,592,229
Bonded Debt Limit: (a)	\$ 43,028,654	\$ 42,027,790	\$ 41,238,717	\$ 37,686,517	\$ 36,258,589	\$ 35,504,529	\$ 30,408,609	\$ 30,037,153	\$ 26,873,301
Amount of Debt Applicable to Debt Limit: Bonded Debt	(45,747,818)	(47,322,138)	(48,653,653)	(49,685,613)	(50,122,026)	(6,461,959)	(6,801,155)	(7,209,508)	(7,079,485)
Amount Available in Debt Service Fund	1,496,732	1,532,627	1,356,258	1,286,519	807,235	426,041	607,469	623,577	553,930
Net Bonded Debt	(44,251,086)	(45,789,511)	(47,297,395)	(48,399,094)	(49,314,791)	(6,035,918)	(6,193,686)	(6,585,931)	(6,525,555)
Overall Debt Margin (b)	\$ (1,222,432)	\$ (3,761,721)	\$ (6,058,678)	\$ (10,712,577)	\$ (13,056,202)	\$ 29,468,611	\$ 24,214,923	\$ 23,451,222	\$ 20,347,746
Energy Conservation Debt Limit: (a)	\$ 4,302,865	\$ 4,202,779	\$ 4,123,872	\$ 3,768,652	\$ 3,625,859	\$ 3,550,453	\$ 3,040,861	\$ 3,003,715	\$ 2,687,330
Amount of Debt Applicable	-	-	-	(75,500)	(151,000)	(226,500)	(372,000)	(512,500)	(648,000)
Energy Conservation Debt Margin	\$ 4,302,865	\$ 4,202,779	\$ 4,123,872	\$ 3,693,152	\$ 3,474,859	\$ 3,323,953	\$ 2,668,861	\$ 2,491,215	\$ 2,039,330
Unvoted Debt Limit: (a)	\$ 478,096	\$ 466,975	\$ 458,208	\$ 418,739	\$ 402,873	\$ 394,495	\$ 337,873	\$ 333,746	\$ 298,592
Amount of Debt Applicable	-	-	-	-	-	-	(2,142)	(46,448)	(98,541)
Unvoted Debt Margin	\$ 478,096	\$ 466,975	\$ 458,208	\$ 418,739	\$ 402,873	\$ 394,495	\$ 335,731	\$ 287,298	\$ 200,051

Source: County Auditor and School District's financial records

Notes:

- (1) - Information prior to 2000 is not available
- (a) - 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.
- (b) - As defined by the Ohio Revised Code section 133.06(E), the School District has been certified as an approved special needs district and is entitled to exceed the 9 percent of assessed value limit. The overall debt limit for an approved special needs district is adjusted for projected increase in tax valuation for the next ten years.

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

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Calendar Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (c)</u>
2007	14,450	\$ 654,685,395	\$ 45,307	5.20%
2006	14,450	586,373,472	40,579	5.10%
2005	14,450	528,612,508	36,582	5.00%
2004	14,450	495,805,421	34,312	6.00%
2003	14,450	464,693,154	32,159	5.90%
2002	13,650	435,053,008	31,872	4.10%
2001	13,650	421,083,814	30,849	3.60%
2000	14,500	418,251,681	28,845	3.40%
1999	14,500	396,268,892	27,329	3.60%
1998	10,703	374,664,440	35,006	3.60%

Notes:

- (a) - Fiscal years 1997 to 1999: U.S. Bureau of the Census, Population Estimates Branch.
Fiscal year 2000 to 2007: Estimates by City of Bellbrook, Ohio and Sugarcreek Township.
- (b) - Ohio Department of Taxation; information for 2007 not available therefore the personal income was estimated using historical trends.
- (c) - Ohio Department of Jobs and Family Services; presented for Greene County

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

**PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FOUR YEARS AGO**

<u>Employer</u>	<u>Fiscal Year 2008</u>		<u>Fiscal Year 2004 (a)</u>	
	<u>Employees (b)</u>	<u>Rank</u>	<u>Employees (b)</u>	<u>Rank</u>
Super Walmart	300	1	250	2
Sugarcreek Local School District	292	2	290	1
Lowe's Home Improvement	135	3	140	3
Target	135	4		
Kohl's	130	5	140	4
Home Depot	123	6	134	6
Cracker Barrel	120	7	120	7
Kroger's	113	8	112	9
Five Seasons Sports Country Club	85	9	115	8
Cub Foods	85	10	135	5
City of Bellbrook			63	10

Source: Bellbrook-Sugarcreek Chamber of Commerce

Notes:

(1) - Total employees within District boundaries could not be provided, therefore percentage of each employer's percentage of total employment could not be presented or estimated.

(a) - 2004 was the first year the information was available.

(b) - number of employees represents number of positions, not FTE equivalents.

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

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Average Daily Membership	Operating Expenditures (a)	Expenditures per Pupil	Percentage Change	Expenses	Expenses per Pupil	Percentage Change	Number of FTE Teaching Positions	Pupil-Teacher Ratio	Percentage of Free or Reduced Price Meals
2008	2,764	\$ 24,637,969	\$ 8,914	1.01%	\$ 28,809,255	\$ 10,423	2.57%	170	16.26	10.00%
2007	2,817	24,859,028	8,825	5.12%	28,626,171	10,162	7.61%	170	16.57	11.00%
2006	2,737	22,976,892	8,395	6.92%	25,846,584	9,443	3.32%	171	16.01	11.00%
2005	2,776	21,796,386	7,852	2.99%	25,371,969	9,140	9.63%	(b)	(b)	(b)
2004	2,761	21,048,684	7,624	10.43%	23,019,145	8,337	16.52%	(b)	(b)	(b)
2003	2,751	18,991,035	6,903	0.82%	19,683,920	7,155	N/A	(b)	(b)	(b)
2002	2,651	18,151,420	6,847	9.02%	N/A	N/A	N/A	(b)	(b)	(b)
2001	2,603	16,348,108	6,280	6.79%	N/A	N/A	N/A	(b)	(b)	(b)
2000	2,585	15,202,292	5,881	6.72%	N/A	N/A	N/A	(b)	(b)	(b)
1999	2,579	14,212,208	5,511	9.50%	N/A	N/A	N/A	(b)	(b)	(b)

Notes:

(1) - The School District implemented GASB Statement No. 34 in fiscal year 2003, therefore the amounts for fiscal years 1998 thru 2002 includes general, special revenue, capital projects and expendable trust funds.

(a) - Operating expenditures are total governmental fund expenditures less capital outlay and debt service expenditures.

(b) - Information for fiscal years prior to 2006 were not readily available. Information will be added in future years.

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

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST THREE FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory			
Superintendent	1	1	1
Principals	4	4	5
Assistant Principals	3	3	3
Transportation Coordinator	1	1	1
Administrative Assistant	1	1	1
Total supervisory	<u>10</u>	<u>10</u>	<u>11</u>
Instruction			
Classroom Teachers	136.75	140	140.2
Special Education Teachers	13.3	13	13.5
Special Education Aides	14.2	10.5	10.5
Regular Classroom Aides	5.8	6.8	6.75
Total instruction	<u>170.05</u>	<u>170.3</u>	<u>170.95</u>
Student Services			
Guidance Counselors	6.25	6.25	6.25
Technology Coordinators	2	2	2
Total student services	<u>8.25</u>	<u>8.25</u>	<u>8.25</u>
Support and Administration			
Clerical/Secretarial/Library	20.6	22	23
Treasurer	1	1	1
Treasurer's Office	2	2	2
Business Manager	0.6	0.6	0.6
Bus Drivers	22.75	22.75	22.75
Transportation Aides	3	3	3
Nurses	2.5	2	2
Custodial/Maintenance	25.8	21.5	22
Curriculum Coordinator	1	1	1
Total support and administration	<u>79.25</u>	<u>75.85</u>	<u>77.35</u>
Total	<u><u>267.55</u></u>	<u><u>264.4</u></u>	<u><u>267.55</u></u>

Source: District personnel records

Notes:

- (1) Information is only presented for last three fiscal years; additional years will be accumulated in future years.

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

TEACHER EDUCATION AND EXPERIENCE
JUNE 30, 2008

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	12	7.06%
Bachelor's + 18 Semester Hours of Graduate Credit	30	17.65%
Master's Degree	90	52.94%
Master's Degree + 30 Semester Hours of Graduate Credit	37	21.76%
Doctorate Degree	1	0.59%
Total	170	100.00%

Years of Experience	Number of Teachers	Percentage of Total
0 - 4	17	10.00%
5 - 9	28	16.47%
10 - 14	46	27.06%
15 - 19	39	22.94%
20 - 29	33	19.41%
30 and over	7	4.12%
Total	170	100.00%

Source: School District Personnel Records

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

**CAPITAL ASSET INFORMATION
LAST THREE FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>School Buildings:</u>			
Elementary			
Buildings	3	3	3
Square Feet	187,057	127,330	127,330
Capacity	1,450	1,300	1,300
Enrollment	1,177	1,217	1,217
Middle			
Buildings	1	1	1
Square Feet	73,514	73,514	73,514
Capacity	776	650	650
Enrollment	642	656	656
High			
Buildings	1	1	1
Square Feet	200,327	161,000	161,000
Capacity	1,155	1,025	1,025
Enrollment	945	963	963
<u>Administrative Building:</u>			
Buildings	1	1	1
Square Feet	3,350	3,350	3,350
<u>Transportation:</u>			
Garages	1	1	1
Buses	44	43	43
<u>Athletics:</u>			
Football Fields	3	3	3
Soccer Fields	2	2	2
Running Tracks	1	1	1
Baseball/Softball Fields	2	2	2
Playgrounds	4	4	4

Notes:

- (1) Information is only presented for last three fiscal years; additional years will be accumulated in future years.

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Mary Taylor, CPA
Auditor of State

SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 31, 2008