

Sugarcreek Local School District

Greene County, Ohio

Single Audit

For the Fiscal Year Ended June 30, 2006



BALESTRA, HARR & SCHERER
CERTIFIED PUBLIC ACCOUNTANTS
528 S. WEST STREET, P.O. Box 687
PIKETON, OHIO 45661

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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, 2005 through June 30, 2006. 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

March 7, 2007

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Sugarcreek Local School District
Greene County, Ohio

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Sugarcreek Local School District
Greene County
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2006

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
United States Department of Agriculture				
<i>Passed through Ohio Department of Education</i>				
<i>Nutrition Cluster:</i>				
National School Lunch	LLP4	10.555	\$ 62,661	\$ 62,661
Total United States Department of Agriculture - Nutrition Cluster			62,661	62,661
United States Department of Education				
<i>Passed through Ohio Department of Education</i>				
Title 1 Grants to Local Education Agencies	C1S1	84.010	102,614	105,667
<i>Passed through Ohio Department of Education</i>				
<i>Special Education Cluster</i>				
Special Education Grants to States	6BSF	84.027	513,470	503,082
Special Education - Preschool Grant	PGS1	84.173	22,155	22,155
Total Special Education Cluster			535,625	525,237
<i>Passed through Ohio Department of Education</i>				
<i>Safe and Drug-Free Schools and Communities -</i>				
State Grants	DRS1	84.186	8,067	8,067
State Grants for Innovative Programs	C2S1	84.298	7,501	7,501
Education Technology State Grants	TJS1	84.318	1,834	1,853
Improving Teacher Quality State Grants	TRS1	84.367	49,308	48,558
Hurricane Relief Fund	HR01	84.938	12,500	12,500
Title III Limited English Proficiency	NA	84.194	5,336	5,336
Total United States Department of Education			722,785	714,719
Total Federal Financial Assistance			\$ 785,446	\$ 777,380

N/A - Not Available

See accompanying notes to schedule of federal awards expenditures

Sugar creek Local School District
Notes to Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2006

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

BALESTRA, HARR & SCHERER, CPAs, INC.

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Ohio Society of Certified Public Accountants

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sugarcreek Local School District (the District), as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2006 in which we noted the District implemented GASB Statements No. 42, 44, 46 and 47. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2006-001.

We noted certain matters that we reported to the management of the District in a separate letter dated December 31, 2006.

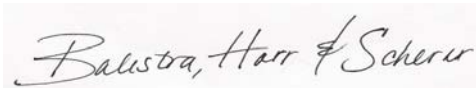
Members of the Board

Sugarcreek Local School District

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

Page 2

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

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

Balestra, Harr & Scherer, CPAs, Inc.

December 31, 2006

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Sugarcreek Local School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2006. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2006.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2006, and have issued our report thereon dated December 31, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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 the audit committee, management, members of the Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

December 31, 2006

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

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY
JUNE 30, 2006

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

FINDING NUMBER 2006-001

Noncompliance Citation

Ohio Rev. Code, Section 5705.36(A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. ORC Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriations.

For the fiscal year ended June 30, 2006, available resources fell below the level of appropriations in the Permanent Improvement Fund by \$227,389.

Although the excess appropriations in the Permanent Improvement Fund were not spent, instances when actual receipts do not meet budgetary estimates could lead to overspending.

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

3. FINDINGS FOR FEDERAL AWARDS

None.

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 SECTION .315(b)**

JUNE 30, 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Citation of ORC 5705.36 for budgetary receipts exceeding actual receipts and not obtaining a reduced amended certificate.	No	Re-issued as Finding 2006-001
2005-002	Citation of ORC 5705.39 for appropriations exceeding total estimated resources.	Yes	
2005-003	Citation of ORC 5705.38 for not passing an annual appropriation measure by October 1.	Yes	

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY
CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 SECTION .315(c)**

JUNE 30, 2006

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2006-001	The District will monitor estimated and actual resources and obtain amended certificates when necessary.	12/31/06	Kevin Liming, Treasurer

Sugarcreek Local School District

Bellbrook, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2006

Issued By:
Treasurer's Office

Kevin Liming
Treasurer

INTRODUCTORY SECTION

**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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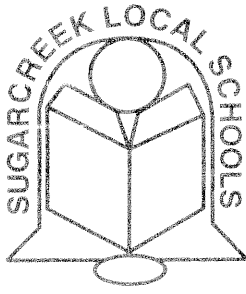
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**SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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SUGARCREEK LOCAL SCHOOL DISTRICT
"Soaring Toward Excellence"

KEVIN L. LIMING
Treasurer

December 31, 2006

To the Citizens and Board of Education of the Sugar Creek Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Sugar Creek Local School District. The information reported is for the fiscal year ended June 30, 2006. 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 2006.

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, 2006 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

Sugar Creek 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 Sugar Creek 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 Sugar Creek 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 307 employees who provide services to 2,737 students in grades K thru 12.

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

LOCAL ECONOMY

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

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

With the current growth in residential housing developments within the School District, the student population is expected to continue to increase at rates similar to, or above, those experienced in the recent past (between seven to ten percent annually). Current projections estimate the student enrollment to reach 3,420 in ten years, an increase of over 20 percent of the fiscal year 2006 school enrollment.

DISTRICT ACHIEVEMENTS

Academics

- The School District earned the highest rating ("EXCELLENT") from the Ohio Department of Education on its 2005-06 District Report Card by exceeding established benchmarks in all of the 25 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.
- Voters passed a 6.2 mill replacement operating levy with collections to begin in January of 2006. This generates approximately \$2.2 million annually to fund operations of the school district. The passage of this levy counteracts some of the effects of state budget cuts for our schools. This levy will also help finance operations of the new Bellbrook Middle School and the additions to two other District school buildings.

Facilities

- Construction of the new Bellbrook Middle School was completed and opened in August 2006. Additions and renovations to Stephen Bell Elementary School were completed in July 2006. The renovation project to Bell Creek Intermediate School is ongoing and scheduled to be completed in June 2007. These three construction projects are a part of the \$44 million bond issue that was passed by voters in 2003.
- The Bellbrook Middle School Athletic Committee is currently seeking private funding to construct new athletic facilities at the Middle School site. This project was not a part of the 2003 bond issue.

Technology

- Completed the installation of a District-wide fiber optic network in July of 2006. The installation included a new file server for the District-wide fiber optic network and a new phone system.
- 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

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

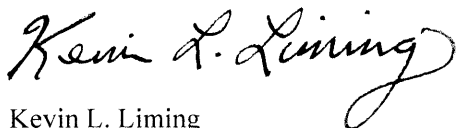
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sugarcreek Local School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2005. In order to be awarded a Certificate of Achievement, 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,



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, 2005

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



President

Executive Director

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2006

Board of Education

Elizabeth Betz, President

Dr. Timothy Anderson, Vice President

Mary Frantz, Member

Dr. John Harmeyer, 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

Jenness Sigman, Principal, Bellbrook Junior High School

Jeff Eckley, Assistant Principal, Bellbrook Junior High School

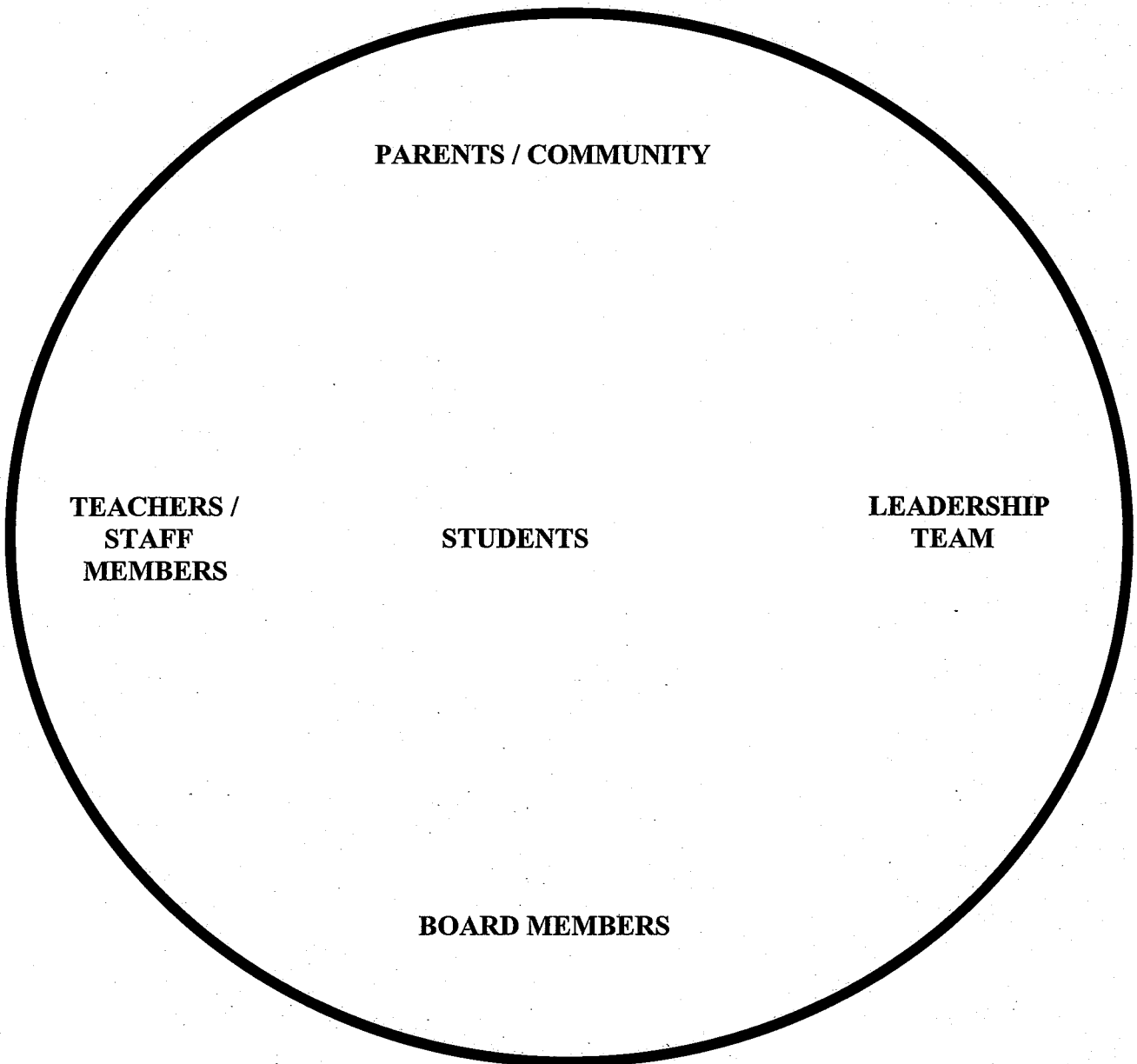
Michael Baldrige, Principal, Bell Creek and Sugarcreek Elementary Schools

Steven Shank, Principal, Stephen Bell School

SUGARCREEK LOCAL SCHOOL DISTRICT'S

LEARNING COMMUNITY

ORGANIZATIONAL CHART



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FINANCIAL SECTION

BALESTRA, HARR & SCHERER, CPAs, INC.

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

Telephone (740) 289-4131
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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sugarcreek Local School District (the District), Greene County, as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2006, and the respective changes in financial position thereof, and the respective budgetary comparisons for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2006 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

As described in Note 21, the District implemented Government Accounting Standards Board (GASB) Statement Nos. 42, *Accounting and Financial Reporting for the Impairment of Capital Assets for Insurance Recoveries*, No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation* and No. 47, *Accounting for Termination Benefits*.

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

Balestra, Harr & Scherer, CPAs, Inc.

December 31, 2006

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2006

Unaudited

The discussion and analysis of the Sugarcreek Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2006. 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 2006 are as follows:

Overall:

- Total net assets increased \$305,624 or 4.1 percent during the year.
- Total assets of governmental activities increased \$2.3 million, attributed primarily due to the continuation of the construction of a new middle school building as well as the additions to and renovations of other existing school buildings.
- General revenues accounted for \$24.1 million or 92.0 percent of total revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions account for \$2.1 million or 8.0 percent of total revenues of \$26.2 million.
- During the fiscal year, construction on the School District's new middle school building and renovation projects on existing building continued. Financing for this project was approved by voters and the School District issued \$44 million worth of general obligation bonds during fiscal year 2004. During the year, \$18.7 million of construction in progress was capitalized associated with the project resulting in \$35.4 million being reported as construction in progress at June 30, 2006.
- The general fund of the School District ended fiscal year 2006 with a fund deficit of \$1.3 million compared with the \$1.2 million deficit reported for the prior fiscal year. Increased operational costs, as well as limitations on the growth rate of the School District's primary revenues sources, are the main factors contributing to the fund deficit.

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, 2006

Unaudited

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2006?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

SUGARCREEK LOCAL SCHOOL DISTRICT
Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2006 compared to 2005:

TABLE 1
NET ASSETS

	<u>2006</u>	<u>2005</u>
<i>Assets</i>		
Current and Other Assets	\$ 27,911,125	\$ 44,198,710
Capital Assets	<u>51,267,783</u>	<u>32,666,341</u>
Total Assets	79,178,908	76,865,051
<i>Liabilities:</i>		
Long-term Liabilities	51,904,291	53,043,008
Other Liabilities	<u>19,538,861</u>	<u>16,391,911</u>
Total Liabilities	71,443,152	69,434,919
<i>Net Assets:</i>		
Invested in Capital Assets, Net of Debt	8,607,642	8,517,440
Restricted	1,797,636	2,195,220
Unrestricted	<u>(2,669,522)</u>	<u>(3,282,528)</u>
Total Net Assets	<u>\$ 7,735,756</u>	<u>\$ 7,430,132</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2006, the School District's net assets were \$7.7 million. Of that amount, approximately \$8.6 million was invested in capital assets, net of debt related to those assets. Another \$1.8 million was subject to external restrictions upon its use. The remaining unreserved deficit of \$2.7 million was due to the accruals of long-term liabilities for which the School District does not currently have resources to cover. In May 2005, the voters of the School District approved a replacement operating levy which will provide approximately \$2 million a year in additional operating monies. As collection on this levy did not begin until calendar year 2006, the School District only received the additional funds for the last half of fiscal year 2006. These additional operating monies provide the resources needed to meet the day-to-day operational expenses of the School District in the near term; management is actively working to seek a long-term solution to the funding issues facing the School District.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2006

Unaudited

As the construction on the School District's new middle school building and renovations of existing school buildings continued during fiscal year 2006, the cash balance on hand continued to decrease throughout the year. Total cash and cash equivalents decreased \$18.4 million during the fiscal year. This reduction in current assets was somewhat offset by increases reported in taxes receivables. With the \$18.7 million of construction in progress added during the year, the non-current assets of the School District increased by 56.9 percent over June 30, 2005. Overall, assets increased by \$2.3 million or 3.0 percent over those reported for the prior year. The increase in current liabilities reported at the end of fiscal year 2006 was due to higher unearned revenue associated with the taxes receivables reported. As these taxes are not intended to fund current year operations, revenue is deferred at year end. Long-term liabilities decreased as debt service is made on the long-term debt obligations.

Restricted net assets decreased as the school facilities building and renovation project continues to progress. The decrease in the unrestricted deficit reported for fiscal year 2006 was due in large part to the additional operating monies provided by the replacement operating levy mentioned above.

Table 2 shows the changes in net assets for fiscal years 2006 and 2005.

TABLE 2
CHANGES IN NET ASSETS

	<u>2006</u>	<u>2005</u>
<i>Revenues:</i>		
Program Revenues:		
Charges in Services	\$ 1,233,624	\$ 1,206,150
Operating Grants & Contributions	837,227	820,659
Capital Grants & Contributions	13,072	39,304
General Revenues:		
Property taxes	14,974,972	14,198,191
Grants & Entitlements	8,152,944	8,035,944
Other	940,369	2,415,897
Total Revenues	<u>26,152,208</u>	<u>26,716,145</u>
<i>Program Expenses:</i>		
Instruction	11,591,110	11,316,764
Support Services:		
Pupils and Instructional Staff	3,038,975	3,030,288
Board of Education, Administration, Fiscal and Business	2,806,765	2,437,534
Plant Operation and Maintenance	2,138,966	2,137,229
Pupil Transportation	1,529,588	1,744,302
Central	92,611	85,132
Operation of Non-Instructional Services	702,319	712,394
Extracurricular Activities	1,030,830	1,020,552
Unallocated Depreciation	492,431	453,581
Interest and Fiscal Charges	2,422,989	2,434,193
Total Expenses	<u>25,846,584</u>	<u>25,371,969</u>
<i>Change in Net Assets</i>	<u>\$ 305,624</u>	<u>\$ 1,344,176</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2006

Unaudited

As shown in Table 2, \$23.1 million, or 88.4 percent, of the School District's total revenue is derived from property taxes and state entitlement programs. The \$776,781 increase in property tax revenue is attributed to the additional tax revenues provided by the passage of a replacement operating levy in May 2005. The collection of the taxes associated with the replacement levy began in calendar year 2006. Therefore, the School District only received approximately one-half of the anticipated increase in property taxes for fiscal year 2006. Other income decreased from \$2.4 million reported for fiscal year 2005 to \$940,369 reported for fiscal year 2006 due primarily to the School District received a one-time payment of \$1.5 million in fiscal year 2005 associated with a land transfer transaction which was not repeated in fiscal year 2006. Overall, total revenue reported for fiscal year 2006 decreased by \$563,937, or 2.1 percent, over those reported for the previous year.

Total expenses of the School District increased slightly by 1.9 percent, or \$474,615, in fiscal year 2006 compared with fiscal year 2005. The ongoing management effort to limit discretionary spending was offset by increases related to personnel costs; cost of living increases as well as the ever increasing cost of providing employees with insurance benefits. The increase in costs related to instruction as well as administrative resulted from the reclassification of certain positions within the School District's accounting records. Therefore, as the increases reported for these functional areas were offset by the decrease, or limited increase, reported by other functional areas.

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 2006 compared with those reported for fiscal year 2005.

TABLE 3
NET COST OF SERVICE

	<u>2006</u>	<u>2005</u>
Instruction	\$ 10,985,627	\$ 10,725,993
Support Services:		
Pupils and Instructional Staff	2,608,971	2,599,871
Board of Education, Administration, Fiscal and Business	2,806,765	2,437,534
Plant Operation and Maintenance	2,138,966	2,134,518
Pupil Transportation	1,516,516	1,729,778
Central	92,611	85,132
Operation of Non-Instructional Services	168,556	194,588
Extracurricular Activities	529,229	510,668
Unallocated Depreciation	492,431	453,581
Interest and Fiscal Charges	2,422,989	2,434,193
Total Net Cost of Service	<u>\$ 23,762,661</u>	<u>\$ 23,305,856</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2006

Unaudited

In fiscal year 2006, 91.9 percent of the School District's expenses were financed through property taxes and state foundation revenues (general revenues), which is essentially the same percentage as fiscal year 2005. In fiscal year 2006, the School District had program revenues totaling \$2.1 million, an increase of only \$17,810 over those reported for the prior fiscal year. These statistics indicate how dependent the finances of the School District are on property taxes and state foundation revenue.

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$26.2 million and expenditures of \$45.8 million. Of the \$45.8 million expenditures reported, \$19.0 million was capital outlay. The net decrease in total governmental fund balance of \$19.4 million resulted in an overall fund balance of \$7.8 million for all governmental funds. Of this fund balance, \$8.3 million was reserved for various purposes, which left an unreserved, undesignated fund deficit of \$549,339 in the various governmental funds.

The School District's general fund, the primary operating fund, ended fiscal year 2006 with an unreserved, undesignated fund deficit of nearly \$1.8 million, or \$318,073 less than the deficit reported at June 30, 2005. Overall, the revenues of the general fund increased by \$319,386 over those reported for fiscal year 2005. The nearly \$900,000 increase in property tax revenue for fiscal year 2006 due to the collection of taxes on the replacement levy, was offset by the reduction in miscellaneous revenue reported for the year. In the prior fiscal year the School District had a one-time revenue source of \$1.5 million associated with a land transfer which was split between the general and permanent improvement funds. Total expenditures of the general fund increased by \$882,656 over those reported for fiscal year 2005, a 4.6 percent increase. Increases in cost of personnel and operations were reported for virtually all of the functional areas reported by the School District.

Of the School District's remaining three major funds, the only other significant changes occurred in the building fund. During fiscal year 2006, the School District had capital expenditures totaling \$18.8 million associated with the construction of a new middle school building as well as major renovations to all existing school buildings. As a result of these projects, the cash balance reported by the building fund decreased from \$25.7 million reported at June 30, 2005 to \$7.0 million reported at June 30, 2006. The increase in restricted assets reported in the building fund reflects the escrow accounts established in conjunction with the construction projects. As the work on the project progress, the amount of funds required to be placed into these escrow accounts increases.

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 \$20.5 million as compared to the original budget estimates of \$19.8 million. The School District received higher than expected levels of taxes and interest receipts during the fiscal year.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2006

Unaudited

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$20.0 million, which were just over \$50,000 less than the amount originally budgeted. Overall, the School District's actual expenditures on the budget basis were \$567,484 less than the final budgeted expenditures. There were no significant changes in any of the functional areas reported.

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 2006, the School District had \$51.3 million invested in land, buildings, furniture and equipment, vehicles, and construction in progress in governmental activities. Table 4 shows fiscal year 2006 balances compared to 2005. 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>2006</u>	<u>2005</u>
Land	\$ 3,432,055	\$ 3,432,055
Improvements	1,284,705	1,284,705
Building Improvements	16,881,064	16,881,064
Equipment	2,816,202	2,460,870
Vehicles	2,723,515	2,623,352
Construction in Progress	35,392,293	16,674,410
Less: Accumulated Depreciation	<u>(11,262,051)</u>	<u>(10,690,115)</u>
Total Capital Assets	<u>\$ 51,267,783</u>	<u>\$ 32,666,341</u>

Overall, net capital assets increased approximately \$18.6 million from fiscal year 2005. The increase in capital assets results from the capitalization of the construction or acquisition of capital assets during the fiscal year being a greater amount than the amount of depreciation being charged against the assets.

As previously mentioned, the School District is in the middle of project that will construct a new middle school building as well as renovate all other existing buildings. The actual construction of this building began during the prior year and continued into fiscal year 2006. Therefore a significant amount of costs were incurred during the past two years associated with the project. During the year, the School District capitalized \$18.7 million related to the school facilities project and resulted in a year-end construction in progress amount of \$35.4 million. All projects are anticipated to be completed during the next fiscal year.

Other significant capital purchases made during the fiscal year included three school busses at a total cost of \$177,591, a van costing \$23,585, a maintenance vehicle and attachments costing \$52,791, and various pieces of computer equipment at a cost of \$256,308.

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, 2006

Unaudited

Debt Administration

At June 30, 2006, the School District had two general obligation bond issues outstanding with outstanding principal of \$48.7 million, of which \$1.46 million is due within one year.

The only other debt obligation outstanding as of the end of fiscal year 2006 was various capital leases the School District had entered into to finance the acquisition of various capital assets. As of June 30, 2006 the School District had approximately \$930,968 of capital lease obligations outstanding, including a \$239,885 capital lease entered into during the year to acquire certain electronic equipment. Other capital assets acquired through capital leases include the School District's transportation facility and numerous pieces of computer equipment used throughout the District. \$233,030 in principal payments related to these capital leases will be made during fiscal year 2007.

For more detailed disclosures regarding the School District's debt obligations the reader should refer to Notes 13 and 14 to the basic financial statements.

For the Future

Sugarcreek Local School District continues to struggle with increasing enrollment and the reduction in operating revenue provided by the State of Ohio. The School District has experienced a steady increase of approximately 60 students per year for the last decade. Legislative decisions continue to reduce operating funds through the planned phase out of the inventory tax base and reduced foundation subsidy payments. It is anticipated that the realized state funding for fiscal year 2007 will be relatively flat or slightly less than the amount received in funding for fiscal year 2006. These factors coupled with negotiated wage increases for the next fiscal year, and increasing operating cost will continue to put a financial strain on the School District.

The 6.2 mill replacement operating levy, approved by voters in May 2005, will generate approximately \$2.0 million to finance day-to-day operational expenses as well as needed repair and maintenance projects to school facilities throughout the School District. These additional tax receipts coupled with budget cuts instituted by the Board of Education in prior fiscal years, should enable the School District to remain financially stable over the next few years. The Board of Education and the administration are working on seeking a long-term solution to the School District's funding issues.

To address classroom space deficiencies caused by the increasing enrollment, a new middle school will be constructed with the proceeds of a \$44 million bond issue approved in May 2003. In addition to the construction of the new middle school, all other school buildings will receive renovations and/or additions. Significant progress on these projects occurred during fiscal year 2006 and it is anticipated the new and renovated facilities will be occupied by students during the 2006-2007 school year.

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, 2006

	Governmental Activities
Assets:	
Equity in pooled cash, cash equivalents, and investments	\$ 9,789,633
Cash and cash equivalents with fiscal agents	8,895
Receivables:	
Property and other taxes	17,030,098
Accounts	33,191
Intergovernmental	10,354
Deferred charges	583,276
Restricted Assets:	
Equity in pooled cash and cash equivalents	455,678
Non-depreciable capital assets	38,824,348
Depreciable capital asset, net	12,443,435
Total Assets	79,178,908
Liabilities:	
Accounts payable	115,832
Accrued wages and benefits payable	1,961,926
Intergovernmental payable	513,659
Accrued interest payable	198,860
Matured compensated absences	42,849
Retirement incentive payable	40,000
Unearned revenue	16,210,057
Payable from restricted assets:	
Retainage payable	455,678
Long Term Liabilities:	
Due within one year	1,725,530
Due in more than one year	50,178,761
Total Liabilities	71,443,152
Net Assets:	
Invested in capital assets, net of related debt	8,607,642
Restricted for:	
Debt service	1,491,295
Capital projects	304,142
Other purpose	2,199
Unrestricted	(2,669,522)
Total Net Assets	\$ 7,735,756

See accompanying notes to the basic financial statements.

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

		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	\$ 10,089,546	\$ 272,632	\$ 36,489	\$ -	\$ (9,780,425)
Special	1,501,564	-	296,362	-	(1,205,202)
Support Services:					
Pupils	1,020,040	-	9,109	-	(1,010,931)
Instructional staff	2,018,935	-	420,895	-	(1,598,040)
Board of education	71,887	-	-	-	(71,887)
Administration	1,924,465	-	-	-	(1,924,465)
Fiscal	681,595	-	-	-	(681,595)
Business	128,818	-	-	-	(128,818)
Operation and maintenance of plant	2,138,966	-	-	-	(2,138,966)
Pupil transportation	1,529,588	-	-	13,072	(1,516,516)
Central	92,611	-	-	-	(92,611)
Operation of non-instructional services	702,319	459,391	74,372	-	(168,556)
Extracurricular activities	1,030,830	501,601	-	-	(529,229)
Interest and fiscal charges	2,422,989	-	-	-	(2,422,989)
Unallocated depreciation *	492,431	-	-	-	(492,431)
	<u>\$ 25,846,584</u>	<u>\$ 1,233,624</u>	<u>\$ 837,227</u>	<u>\$ 13,072</u>	<u>(23,762,661)</u>

General Revenues:

Property taxes levied for:	
General purposes	11,313,180
Debt service	3,031,772
Capital outlay	630,020
Grants and entitlements not restricted to specific programs	8,152,944
Investment earnings	677,010
Miscellaneous	263,359

Total General Revenues 24,068,285

Changes in net assets 305,624

Net assets at beginning of year 7,430,132

Net assets at end of year \$ 7,735,756

* - 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, 2006

	General Fund	Debt Service	Permanent Improvement	Building Fund	Non-major Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 796,884	\$ 1,356,258	\$ 269,299	\$ 6,961,398	\$ 405,794
Cash and Cash Equivalents: With Fiscal Agent	-	-	-	-	8,895
Receivables:					
Taxes	13,101,232	3,306,832	622,034	-	-
Accounts	33,191	-	-	-	-
Intergovernmental	-	-	-	-	10,354
Interfund	545	-	-	-	-
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	-	-	-	455,678	-
Total Assets	\$ 13,931,852	\$ 4,663,090	\$ 891,333	\$ 7,417,076	\$ 425,043
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 78,614	\$ -	\$ -	\$ 36,918	\$ 300
Accrued Wages and Benefits	1,952,357	-	-	-	9,569
Intergovernmental Payable	513,659	-	-	-	-
Interfund Payable	-	-	-	-	545
Matured Compensated Absences Payable	42,849	-	-	-	-
Retirement Incentive Payable	40,000	-	-	-	-
Deferred Revenue	12,642,326	3,182,028	598,002	-	-
Payable from Restricted Assets:					
Retainage Payable	-	-	-	455,678	-
Total Liabilities	15,269,805	3,182,028	598,002	492,596	10,414
<u>Fund Balances:</u>					
Reserved for:					
Encumbrances	48,335	-	146,973	7,367,488	154,350
Property Taxes	458,906	124,804	24,032	-	-
Unreserved, Undesignated:					
General Fund	(1,845,194)	-	-	-	-
Special Revenue Funds	-	-	-	-	251,384
Debt Service Fund	-	1,356,258	-	-	-
Capital Projects Funds	-	-	122,326	(443,008)	8,895
Total Fund Balances	(1,337,953)	1,481,062	293,331	6,924,480	414,629
Total Liabilities and Fund Balances	\$ 13,931,852	\$ 4,663,090	\$ 891,333	\$ 7,417,076	\$ 425,043

See accompanying notes to the basic financial statements.

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

Total Governmental Funds	Total Governmental Fund Balances:	\$ 7,775,549
	<i>Amounts reported for governmental activities in the</i>	
\$ 9,789,633	<i>statement of net assets are different because:</i>	
8,895	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,267,783
17,030,098		
33,191		
10,354	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	212,299
545		
455,678		
\$ 27,328,394	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	583,276
\$ 115,832	Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.	
1,961,926	G.O. bonds	(48,653,653)
513,659	Accrued interest payable	(198,860)
545	Deferred premium on bond issuance	(1,278,891)
42,849	Deferred amount on refunding	227,952
40,000	Compensated absences	(1,268,731)
16,422,356	Capital leases	(930,968)
455,678	Total	(52,103,151)
19,552,845	Net Assets of Governmental Activities	\$ 7,735,756
7,717,146		
607,742		
(1,845,194)		
251,384		
1,356,258		
(311,787)		
7,775,549		
\$ 27,328,394		

**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, 2006

	General Fund	Debt Service	Permanent Improvement	Building Fund	Non-major Governmental Funds
Revenues:					
Taxes	\$ 11,256,696	\$ 3,021,539	\$ 628,104	\$ -	\$ -
Intergovernmental	7,716,225	377,067	72,724	-	837,227
Student Sales	-	-	-	-	459,391
Interest	721,754	-	-	26,337	1,845
Tuition and Fees	272,632	-	-	-	57,839
Extracurricular Activities	-	-	-	-	443,762
Miscellaneous	79,615	-	-	3,800	176,302
Total Revenues	20,046,922	3,398,606	700,828	30,137	1,976,366
Expenditures:					
Current:					
Instruction:					
Regular	9,760,956	-	205,021	-	36,452
Special	1,216,396	-	-	-	282,887
Support Services:					
Pupils	978,989	-	300	-	34,802
Instructional Staff	1,489,130	-	81,171	-	450,269
Board of Education	72,473	-	-	-	-
Administration	1,894,066	-	-	15,439	-
Fiscal	606,689	50,601	10,045	-	-
Business	128,818	-	-	-	-
Plant Operation and Maintenance	1,951,186	-	240,375	-	-
Pupil Transportation	1,509,852	-	187,624	-	-
Central	92,611	-	-	-	-
Non-Instructional Services	3,549	-	-	-	685,153
Extracurricular Activities	508,925	-	44,059	-	439,054
Capital Outlay	-	-	240,484	18,771,702	-
Debt Service:					
Principal Retirement	-	1,190,000	321,820	-	-
Interest and Fiscal Charges	-	2,266,571	30,195	-	-
Total Expenditures	20,213,640	3,507,172	1,361,094	18,787,141	1,928,617
Excess of Revenues Over(Under)					
Expenditures	(166,718)	(108,566)	(660,266)	(18,757,004)	47,749
Other Financing Sources (Uses):					
Inception of Capital Lease	-	-	239,885	-	-
Proceeds from Sale of Capital Assets	3,642	-	-	-	-
Transfers-In	-	-	-	-	19,571
Transfers-Out	(19,571)	-	-	-	-
Total Other Financing Sources (Uses)	(15,929)	-	239,885	-	19,571
Net Change in Fund Balance	(182,647)	(108,566)	(420,381)	(18,757,004)	67,320
Fund Balance at Beginning of Year	(1,155,306)	1,589,628	713,712	25,681,484	347,309
Fund Balance at End of Year	\$ (1,337,953)	\$ 1,481,062	\$ 293,331	\$ 6,924,480	\$ 414,629

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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 10,947,444	\$ 11,333,250	\$ 11,733,740	\$ 400,490
Intergovernmental	7,752,000	7,752,000	7,716,225	(35,775)
Interest	300,000	700,000	721,754	21,754
Tuition and Fees	251,550	251,550	268,332	16,782
Miscellaneous	583,584	601,585	78,802	(522,783)
Total Revenues	<u>19,834,578</u>	<u>20,638,385</u>	<u>20,518,853</u>	<u>(119,532)</u>
Expenditures:				
Current:				
Instruction:				
Regular	9,634,006	9,751,870	9,675,873	75,997
Special	1,375,107	1,436,428	1,194,744	241,684
Vocational	3,000	3,000	-	3,000
Support Services:				
Pupils	1,044,310	1,017,850	980,131	37,719
Instructional Staff	1,553,620	1,570,484	1,462,466	108,018
Board of Education	77,754	77,754	76,299	1,455
Administration	1,710,661	1,816,343	1,848,815	(32,472)
Fiscal	562,083	562,083	571,775	(9,692)
Business	112,863	112,863	129,021	(16,158)
Plant Operation and Maintenance	1,790,787	1,892,939	1,894,018	(1,079)
Pupil Transportation	1,442,998	1,581,973	1,503,142	78,831
Central	137,490	137,490	94,360	43,130
Non-Instructional Services	6,200	6,200	3,385	2,815
Extracurricular Activities	553,200	554,201	519,965	34,236
Total Expenditures	<u>20,004,079</u>	<u>20,521,478</u>	<u>19,953,994</u>	<u>567,484</u>
Excess of Revenues Over(Under) Expenditures	<u>(169,501)</u>	<u>116,907</u>	<u>564,859</u>	<u>447,952</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	-	-	3,642	3,642
Refund of Prior Year Expenditures	5,000	5,000	813	(4,187)
Transfers-Out	-	(100,600)	(19,571)	81,029
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>(95,600)</u>	<u>(15,116)</u>	<u>80,484</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(164,501)</u>	<u>21,307</u>	<u>549,743</u>	<u>528,436</u>
Fund Balance at Beginning of Year	70,210	70,210	70,210	-
Prior Year Encumbrances Appropriated	94,291	94,291	94,291	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 185,808</u>	<u>\$ 714,244</u>	<u>\$ 528,436</u>

See accompanying notes to the basic financial statements.

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

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006

	Private Purpose Trust	Agency Funds
Assets:		
Equity in pooled cash and cash equivalents	\$ 146	\$ 93,415
Cash and Cash Equivalents:		
With Fiscal Agent	211,021	-
Total Assets	211,167	93,415
Liabilities:		
Due to students	-	93,415
Total Liabilities	-	\$ 93,415
Net Assets:		
Held in trust for scholarships	211,167	
Total Net Assets	\$ 211,167	

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, 2006

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Donations	\$ 78,310
Investment Earnings	<u>8,172</u>
Total Additions	<u>86,482</u>
Deductions:	
Payments in accordance with trust agreements	<u>14,650</u>
Total Deductions	<u>14,650</u>
Change in Net Assets	71,832
Net Assets Beginning of Year	<u>139,335</u>
Net Assets End of Year	<u><u>\$ 211,167</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, 2006

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 307 employees who provide services to 2,737 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 16 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, 2006

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, 2006

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.

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

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

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

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.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

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

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

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 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 2006.

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, 2006

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 2006 amounted to \$721,754, which includes the General Fund's allocation as well as the allocations of all funds not specified in the Board's resolution. Interest was also recorded in the Building Fund totaling \$26,337 and also in non-major governmental funds and private purpose trust funds in the amounts of \$1,845 and \$8,172, respectively.

G. Estimates

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

H. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The School District's capitalization threshold was \$2,500 for fiscal year 2006. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also not capitalized.

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

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

I. Interfund Activity

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

J. Compensated Absences

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

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

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that 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, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

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, 2006 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.

NOTE 3 - ACCOUNTABILITY

The following funds have fund equity deficits as of June 30, 2006:

	<u>Deficit Equity</u>
General Fund	\$ 1,337,953
<u>Special Revenue Fund:</u>	
Title VI	545

The deficits in these funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2007. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

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	\$ (182,647)
Revenue Accruals	472,744
Expenditure Accruals	342,288
Encumbrances	<u>(82,642)</u>
Budget Basis	<u>\$ 549,743</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

Deposits

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

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At year end, the carrying amount of the School District's deposits was \$2,550,700 and the bank balance was \$2,945,264. Of the bank balance, \$400,000 was covered by federal depository insurance and the remaining \$2,545,264 was 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

Investments are reported at fair value. As of June 30, 2006, the School District had the following investments:

	Fair Value	Percent of Total Portfolio	Credit Rating	Weighted Average Maturity
Federal Home Loan Bank Notes	\$ 4,724,642	59.00%	AAA	0.15 years
Fannie Mae Notes	2,281,600	28.49%	AAA	0.16 years
Money Market Mutual Funds	<u>1,001,846</u>	<u>12.51%</u>	Not Rated	N/A
Total Investments	<u>\$ 8,008,088</u>	<u>100.00%</u>		
Portfolio Weighted Average Maturity				0.13 years

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

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

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

Interest Rate Risk:

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

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

Credit Risk:

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

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

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For the Fiscal Year Ended June 30, 2006

The District's investments at June 30, 2006 in FHLB and FNMA are rated AAA by Standard & Poor's and Aaa by Moody. The District's money market mutual fund accounts are unrated.

Concentration of Credit Risk:

The District places no limit on the amount the district may invest in any one issuer; however their investment policy does stress diversification to limit potential losses

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State Law at 35 percent of appraised market value. All property is required to be reevaluated every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by July 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Sugarcreek Local School District. The County Auditor periodically remits to the District its portion of the taxes collected. The full tax rate for all District operations for the year ended June 30, 2006 was \$72.75 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2006 taxes were collected are as follows:

	<u>2006 First Half Collections</u>	<u>2005 Second Half Collections</u>
Agricultural/residential		
And other real estate	\$ 434,978,060	\$ 394,071,960
Public utility personal	13,127,490	13,430,790
Tangible personal property	<u>10,102,419</u>	<u>11,236,327</u>
 Total	 <u>\$ 458,207,969</u>	 <u>\$ 418,739,077</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

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For the Fiscal Year Ended June 30, 2006

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2006. 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, 2006 was recognized as revenue.

The amount available as an advance at June 30 was \$458,906 in the General Fund, \$124,804 in the Bond Retirement Debt Service Fund and \$24,032 in the Permanent Improvement Capital Projects Fund. These amounts have been set aside as a reserve of fund balance.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2006, consisted of current and delinquent property taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. At June 30, 2006 the intergovernmental receivables recorded in the non-major governmental funds included \$9,630 for school lunches provided in May 2005 which qualify for federal and state reimbursement and \$724 associated with the Title VI-R grant.

NOTE 8 – CAPITAL ASSETS

Capital activity for the fiscal year ended June 30, 2006, was as follows:

	Balance			Balance
	June 30, 2005	Additions	Deletions	June 30, 2006
<i><u>Capital Assets, not being depreciated</u></i>				
Land	\$ 3,432,055	\$ -	\$ -	\$ 3,432,055
Construction in Progress	<u>16,674,410</u>	<u>18,717,883</u>	<u>-</u>	<u>35,392,293</u>
Total Non-depreciable Capital Assets	<u>20,106,465</u>	<u>18,717,883</u>	<u>-</u>	<u>38,824,348</u>
<i><u>Capital Assets, being depreciated</u></i>				
Land Improvements	1,284,705	-	-	1,284,705
Buildings and Improvements	16,881,064	-	-	16,881,064
Furniture and Equipment	2,460,870	358,898	(3,566)	2,816,202
Vehicles	<u>2,623,352</u>	<u>203,958</u>	<u>(103,795)</u>	<u>2,723,515</u>
	<u>23,249,991</u>	<u>562,856</u>	<u>(107,361)</u>	<u>23,705,486</u>
<i><u>Less: Accumulated Depreciation</u></i>				
Land Improvements	(739,836)	(46,485)	-	(786,321)
Buildings and Improvements	(6,615,666)	(448,321)	-	(7,063,987)
Furniture and Equipment	(1,714,123)	(119,890)	3,566	(1,830,447)
Vehicles	<u>(1,620,490)</u>	<u>(64,601)</u>	<u>103,795</u>	<u>(1,581,296)</u>
	<u>(10,690,115)</u>	<u>(679,297) *</u>	<u>107,361</u>	<u>(11,262,051)</u>
Depreciable Capital Assets, Net	<u>12,559,876</u>	<u>(116,441)</u>	<u>-</u>	<u>12,443,435</u>
Total Capital Assets, Net	<u>\$ 32,666,341</u>	<u>\$ 18,601,442</u>	<u>\$ -</u>	<u>\$ 51,267,783</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

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

Instruction:	
Regular	\$ 1,384
Support Services:	
Instructional support	16,924
Administration	13,183
Operation and maintenance of plant	22,423
Pupil transportation	75,949
Operation of non-instructional services	13,799
Extracurricular activities	43,204
Unallocated depreciation	<u>492,431</u>
Total Depreciation Expense	<u>\$ 679,297</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 - 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 2006 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.

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

SUGARCREEK LOCAL SCHOOL DISTRICT

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NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling 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, 2006, 2005 and 2004 were \$389,852, \$413,105 and \$432,198 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. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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.

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

For the fiscal year ended June 30, 2006, 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, 2006, 2005, and 2004 were \$1,337,892, \$1,255,573, and \$1,257,052, 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, 2006, one member of the Board of Education has elected social security. The School District's liability is 6.2 percent of wages paid.

NOTE 11 – POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefits recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$100,149 for fiscal year 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005 (the latest information available) the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal years ended June 30, 2006 and 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2006, the minimum pay was established at \$27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006 fiscal year, the School District paid \$136,953 to fund health care benefits, including the surcharge.

SERS' net health care costs for the year ending June 30, 2005 (the latest information available) were \$178,221,113. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. As of June 30, 2005, the value of the health care fund was \$267.5 million, which is about 168 percent of next year's projected net health care costs of \$158,776,151. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide health care reserve equal to at least 150 percent of estimated annual net claim costs. The number of SERS participants eligible to receive benefits is 58,123.

NOTE 12 – OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation

District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation leave for the District as a whole amounted to \$67,637 at June 30, 2006.

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, 2006 was \$1,224,763.

Compensatory Leave

Certain employees are allowed to accumulate hours for time worked up to a maximum of 240 hours. The employee has the option of taking the hours as time off or as paid leave. In the case of death or retirement an employee (or his estate) is paid for unused compensatory leave. The total obligation for compensatory leave for the District as a whole amounted to \$19,180 at June 30, 2006.

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

NOTE 13 - LONG-TERM OBLIGATIONS

Activity of the School District's long-term obligations at June 30, 2006 was as follows:

	<u>Balance</u> <u>June 30, 2005</u>	<u>Increases</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Due within</u> <u>One Year</u>
General Obligation Bonds:					
1994 School Construction					
Capital Appreciation 5-5.3%	\$ 1,745,891	\$ 109,881	\$ 500,000	\$ 1,355,772	\$ 580,000
2003 Multi-Purpose Bonds:					
Current Interest 2%-5.25%	47,230,000	-	690,000	46,540,000	880,000
Capital Appreciation 4.13%-4.23%	709,722	48,159	-	757,881	-
Deferred Amounts:					
Add: Bond Premium	1,337,113	-	58,222	1,278,891	-
Less: Deferred Refunding Amount	<u>(251,947)</u>	<u>-</u>	<u>(23,995)</u>	<u>(227,952)</u>	<u>-</u>
Total General Obligation Bonds	50,770,779	158,040	1,224,227	49,704,592	1,460,000
Energy Conservation Loan	75,500	-	75,500	-	-
Compensated Absences	1,116,229	195,351	42,849	1,268,731	32,500
Capital Lease Obligation	937,403	239,885	246,320	930,968	233,030
Intergovernmental Payable	<u>143,097</u>	<u>-</u>	<u>143,097</u>	<u>-</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 53,043,008</u>	<u>\$ 593,276</u>	<u>\$ 1,731,993</u>	<u>\$ 51,904,291</u>	<u>\$ 1,725,530</u>

General Obligation Bonds

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

- In 2003, nearly \$48 million of general obligation bonds was issued to 1) provide \$43,985,000 for the construction of a new middle school building and 2) advance refund \$4,005,000 of general obligation bonds issued in 1994. These bonds include current interest bonds and capital appreciation bonds. The capital appreciation bonds will mature in fiscal years 2013 and 2014. The maturity amount of the capital appreciation bonds is \$1.2 million. For fiscal year 2006, \$48,159 was accreted for a total bond value of \$757,881.
- 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 2005 through 2008. The maturity amount of the bonds is \$2,120,000. For fiscal year 2006, \$500,000 of capital appreciation bonds matured and was paid. An additional \$109,881 was accreted bringing the total value of outstanding capital appreciation bonds to \$1,355,772 at June 30, 2006.

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

Principal and interest requirements to retire the District's long-term general obligation bonds outstanding at June 30, 2006 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2007	\$ 1,443,078	\$ 2,229,687	\$ 3,672,765
2008	1,517,405	2,249,187	3,766,592
2009	1,620,289	2,208,324	3,828,613
2010	1,975,000	2,112,116	4,087,116
2011	855,000	2,058,722	2,913,722
2012-16	5,667,881	10,208,894	15,876,775
2017-21	5,870,000	8,444,404	14,314,404
2022-26	10,010,000	6,399,087	16,409,087
2027-31	15,720,000	3,099,419	18,819,419
2032	<u>3,975,000</u>	<u>99,375</u>	<u>4,074,375</u>
Total	<u>\$ 48,653,653</u>	<u>\$ 39,109,215</u>	<u>\$ 87,762,868</u>

Energy Conservation Loan Payable

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

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 \$14.7 million and the unvoted debt margin was \$458,208 at June 30, 2006.

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2006, the School District entered into capitalized leases for the purchase of various pieces of computer equipment. These leases meet the criteria of capital leases as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. These lease agreements are reported in the permanent improvement fund as other financing sources, inception of capital leases, as well as a like amount for capital outlay expenditures. Capital lease payments will be reflected as debt service expenditures in the basic financial statements for the governmental funds.

SUGARCREEK LOCAL SCHOOL DISTRICT

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

In addition to the leases entered into during fiscal year 2006, the School District has acquired a bus facility and other computer equipment through capital leases in prior years. The capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$1,339,604 (\$716,639 of buildings, and \$622,965 of equipment), which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was split between long-term liabilities due within a year and long-term liabilities due within more than one year on the statement of net assets for governmental activities. Principal payments in fiscal year 2006 totaled \$246,320.

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, 2006.

	Fiscal Year Ending June 30,	
	2007	\$ 272,514
	2008	258,395
	2009	230,731
	2010	109,759
	2011	96,383
	2012	<u>96,383</u>
Total Minimum Lease Payments		1,064,165
Less: Amount Representing Interest		<u>(133,197)</u>
Present Value of Minimum Lease Payments		<u>\$ 930,968</u>

NOTE 15 - INTERFUND ACTIVITY

Prior to fiscal year 2006, 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, 2006. Management will review the status of this transaction during fiscal year 2007 to determine if the funds will be received to repay the General Fund or if the advance of funds should be made permanent.

In addition, the School District transferred \$19,571 from the General Fund to the Food Service non-major special revenue fund during the fiscal year to provide operating resources for that program.

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

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

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

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 \$61,940 for services provided during the year. Financial information can be obtained from Gary Bosserman, who serves as Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Cooperative

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

Greene County Career Center

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

Bellbrook/Sugarcreek Education Foundation

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

NOTE 17 - 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, 2006.

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, 2006

NOTE 18 - STATE SCHOOL FUNDING DECISION

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

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

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

NOTE 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, 2005	\$ (1,130,255)	\$(12,515,544)	\$(13,645,799)
Current Year Set-aside Requirement	382,542	382,542	765,084
Qualifying Disbursements	<u>(1,043,133)</u>	<u>(18,666,292)</u>	<u>(19,709,425)</u>
Total	<u>\$ (1,790,846)</u>	<u>\$(30,799,294)</u>	<u>\$(32,590,140)</u>
Balance Carried Forward to FY 2007	<u>\$ (1,790,846)</u>	<u>\$(30,799,294)</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, 2006 the School District had the following significant outstanding construction commitments:

Ferguson Construction Company	\$ 947,600
Fanning/Howey Associates, Inc.	1,436,206
Sollman Electric	696,897
RLE Construction	1,349,770
GM Mechanical	<u>625,259</u>
	<u>\$ 5,055,732</u>

SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

NOTE 21 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2006, the School District has implemented GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets for Insurance Recoveries”; GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section”; GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation” and GASB Statement No. 47, “Accounting for Termination Benefits”.

Statement No. 42 establishes accounting and financial standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

Statement No. 44 provides establishes the types of information which should be included in the schedules in the statistical section presented with the financial statements. It also requires narrative explanations in certain circumstances be provided along with the schedules.

Statement No. 46 establishes that any amount of the primary government’s net assets at the end of the reporting period restricted by enabling legislation should be disclosed in the notes to the financial statements.

Statement No. 47 provides guidance to governmental employers for measuring, recognizing and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered.

There was no effect on net assets or fund balance as a result of the implementation of these new standards. The disclosure required by Statement No. 46 can be found in Note 2. The Statistical Section of this report includes all the requirements set forth in GASB Statement No. 44.

Major Governmental Funds

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

General Fund

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

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

Debt Service Fund

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

Permanent Improvement Fund

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

Building Fund

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

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 3,040,000	\$ 3,040,000	\$ 3,199,844	\$ 159,844.00
Intergovernmental	<u>257,000</u>	<u>257,000</u>	<u>377,067</u>	<u>120,067</u>
Total Revenues	<u>3,297,000</u>	<u>3,297,000</u>	<u>3,576,911</u>	<u>279,911</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	44,850	44,850	50,601	(5,751)
Debt Service:				
Principal Retirement	1,225,000	1,725,000	949,640	775,360
Interest and Fiscal Charges	<u>2,231,571</u>	<u>2,231,571</u>	<u>2,506,931</u>	<u>(275,360)</u>
Total Expenditures	<u>3,501,421</u>	<u>4,001,421</u>	<u>3,507,172</u>	<u>494,249</u>
Excess of Revenues Over(Under) Expenditures	(204,421)	(704,421)	69,739	774,160
Fund Balance at Beginning of Year	<u>1,286,519</u>	<u>1,286,519</u>	<u>1,286,519</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,082,098</u>	<u>\$ 582,098</u>	<u>\$ 1,356,258</u>	<u>\$ 774,160</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 640,000	\$ 796,459	\$ 662,907	\$ (133,552)
Intergovernmental	192,000	192,000	72,724	(119,276)
Total Revenues	832,000	988,459	735,631	(252,828)
Expenditures:				
Current:				
Instruction:				
Regular	433,114	433,114	430,162	2,952
Support Services:				
Pupils	1,878	1,878	300	1,578
Instructional Staff	134,630	179,002	166,413	12,589
Administration	-	-	-	-
Fiscal	10,000	10,000	10,045	(45)
Plant Operation and Maintenance	434,048	671,934	248,528	423,406
Pupil Transportation	-	-	187,624	(187,624)
Extracurricular Activities	59,751	59,751	71,875	(12,124)
Capital Outlay	285,467	285,467	176,484	108,983
Total Expenditures	1,358,888	1,641,146	1,291,431	349,715
Excess of Revenues Over(Under) Expenditures	(526,888)	(652,687)	(555,800)	96,887
Fund Balance at Beginning of Year	417,743	417,743	417,743	-
Prior Year Encumbrances Appropriated	260,383	260,383	260,383	-
Fund Balance at End of Year	\$ 151,238	\$ 25,439	\$ 122,326	\$ 96,887

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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	-	-	2,075	2,075
Miscellaneous	-	-	3,800	3,800
Total Revenues	\$ -	\$ -	\$ 5,875	\$ 5,875
Expenditures:				
Current:				
Support Services:				
Administration	11,200	11,200	15,439	(4,239)
Capital Outlay	25,834,473	25,834,473	25,833,876	597
Total Expenditures	25,845,673	25,845,673	25,849,315	(3,642)
Excess of Revenues Over(Under) Expenditures	(25,845,673)	(25,845,673)	(25,843,440)	2,233
Fund Balance at Beginning of Year	4,530,081	4,530,081	4,530,081	-
Prior Year Encumbrances Appropriated	21,315,592	21,315,592	21,315,592	-
Fund Balance at End of Year	\$ -	\$ -	\$ 2,233	\$ 2,233

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Public School Support

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

Foundation Grant

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

District Managed Student Activities

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

Management Information Systems

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

Data Communications

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

SchoolNet Professional Development

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

Ohio Reads Grant

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

Summer Intervention Grant

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

Safe School Helpline

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

Title VI-B Grant

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

Title III Grant

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

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (Continued)

Title I Grant

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

Title VI Grant

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

Drug Free Schools Program

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

Preschool Grant

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

Title VI-R Grant

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

School to Work Grant

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

Miscellaneous Federal Grants

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

Food Service Fund

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

Nonmajor Capital Project Fund

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

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, 2006

	Special Revenue Funds			
	Public School Support	Foundation Grants	District Managed Student Activities	Management Information Systems
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 149,715	\$ 300	\$ 243,935	\$ -
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 149,715	\$ 300	\$ 243,935	\$ -
<u>Liabilities and Fund Balance:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Interfund Payable	-	-	-	-
Total Liabilities	-	-	-	-
<u>Fund Balance:</u>				
Reserved for Encumbrances	84,790	-	68,960	-
Unreserved, Undesignated	64,925	300	174,975	-
Total Fund Balance	149,715	300	243,935	-
Total Liabilities and Fund Balance	\$ 149,715	\$ 300	\$ 243,935	\$ -

Special Revenue Funds

Data Communications	School Net Professional Development	Ohio Reads Grant	Summer Intervention Grant	Safe School Helpline	Title VI-B Grant	Title III Grant
\$ -	\$ -	\$ -	\$ -	\$ 56	\$ 10,388	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 10,388</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	9,569	-
-	-	-	-	-	-	-
-	-	-	-	-	9,569	-
-	-	-	-	-	-	-
-	-	-	-	56	819	-
-	-	-	-	56	819	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 10,388</u>	<u>\$ -</u>

(Continued)

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006
(Continued)

	Special Revenue Funds			
	Title I Grant	Title VI Grant	Drug Free Schools Grant	Preschool Grant
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -
<u>Liabilities and Fund Balance:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Interfund Payable	-	545	-	-
Total Liabilities	-	545	-	-
<u>Fund Balance:</u>				
Reserved for Encumbrances	-	-	-	-
Unreserved, Undesignated	-	(545)	-	-
Total Fund Balance	-	(545)	-	-
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -	\$ -

Title VI-R Grant	Special Revenue Funds				Total	Capital Project Fund	Total Nonmajor Governmental Funds
	School to Work Grant	Miscellaneous Federal Grants	Food Service	Community Gym Project			
\$ 900	\$ -	\$ -	\$ 500	\$ 405,794	\$ -	\$ 405,794	
-	-	-	-	-	8,895	8,895	
724	-	-	9,630	10,354	-	10,354	
<u>\$ 1,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,130</u>	<u>\$ 416,148</u>	<u>\$ 8,895</u>	<u>\$ 425,043</u>	
\$ 300	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ 300	
-	-	-	-	9,569	-	9,569	
-	-	-	-	545	-	545	
300	-	-	-	10,414	-	10,414	
600	-	-	-	154,350	-	154,350	
724	-	-	10,130	251,384	8,895	260,279	
1,324	-	-	10,130	405,734	8,895	\$ 414,629	
<u>\$ 1,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,130</u>	<u>\$ 416,148</u>	<u>\$ 8,895</u>	<u>\$ 425,043</u>	

(Concluded)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Special Revenue Funds			
	Public School Support	Foundation Grants	District Managed Student Activities	Management Information Systems
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 9,109
Student Sales	-	-	-	-
Interest	-	-	-	-
Tuition and Fees	-	-	57,839	-
Extracurricular Activities	83,413	-	360,349	-
Miscellaneous	159,235	-	16,150	-
Total Revenues	242,648	-	434,338	9,109
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Support Services:				
Pupils	25,577	116	-	9,109
Instructional Staff	31,107	-	-	-
Non-Instructional Services	138,756	-	-	-
Extracurricular Activities	-	-	439,054	-
Total Expenditures	195,440	116	439,054	9,109
Excess of Revenues Over(Under) Expenditures	47,208	(116)	(4,716)	-
Other Financing Sources:				
Transfers-In	-	-	-	-
Net Change in Fund Balances	47,208	(116)	(4,716)	-
Fund Balance at Beginning of Year	102,507	416	248,651	-
Fund Balance at End of Year	\$ 149,715	\$ 300	\$ 243,935	\$ -

Special Revenue Funds

Data Communications	School Net Professional Development	Ohio Reads Grant	Summer Intervention Grant	Safe School Helpline	Title VI-B Grant	Title III Grant
\$ 12,000	\$ 3,925	\$ 6,000	\$ -	\$ -	\$ 513,470	\$ 5,336
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	71	-	-	-
<u>12,000</u>	<u>3,925</u>	<u>6,000</u>	<u>71</u>	<u>-</u>	<u>513,470</u>	<u>5,336</u>
-	-	-	-	-	-	-
-	-	-	-	-	177,651	-
-	-	-	-	-	-	-
12,000	3,845	6,000	-	-	335,000	5,336
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>12,000</u>	<u>3,845</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>512,651</u>	<u>5,336</u>
-	80	-	71	-	819	-
-	-	-	-	-	-	-
-	80	-	71	-	819	-
-	(80)	-	(71)	56	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 819</u>	<u>\$ -</u>

(Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(Continued)

	Special Revenue Funds			
	Title I Grant	Title VI Grant	Drug Free Schools Grant	Preschool Grant
Revenues:				
Intergovernmental	\$ 100,806	\$ 7,501	\$ 8,067	\$ 22,155
Student Sales	-	-	-	-
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>100,806</u>	<u>7,501</u>	<u>8,067</u>	<u>22,155</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	22,155
Special	87,610	7,506	-	-
Support Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	8,067	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>87,610</u>	<u>7,506</u>	<u>8,067</u>	<u>22,155</u>
Excess of Revenues Over(Under) Expenditures	13,196	(5)	-	-
Other Financing Sources:				
Transfers-In	-	-	-	-
Net Change in Fund Balances	13,196	(5)	-	-
Fund Balance at Beginning of Year	<u>(13,196)</u>	<u>(540)</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (545)</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds					Capital Project Fund	Nonmajor Governmental Funds
Title VI-R Grant	School to Work Grant	Miscellaneous Federal Grants	Food Service	Total	Community Gym Project	
\$ 50,032	\$ 14,334	\$ 10,120	\$ 74,372	\$ 837,227	\$ -	\$ 837,227
-	-	-	459,391	459,391	-	459,391
-	-	-	1,424	1,424	421	1,845
-	-	-	-	57,839	-	57,839
-	-	-	-	443,762	-	443,762
-	-	-	-	175,456	846	176,302
<u>50,032</u>	<u>14,334</u>	<u>10,120</u>	<u>535,187</u>	<u>1,975,099</u>	<u>1,267</u>	<u>1,976,366</u>
-	14,297	-	-	36,452	-	36,452
-	-	10,120	-	282,887	-	282,887
-	-	-	-	34,802	-	34,802
48,858	56	-	-	450,269	-	450,269
-	-	-	546,397	685,153	-	685,153
-	-	-	-	439,054	-	439,054
<u>48,858</u>	<u>14,353</u>	<u>10,120</u>	<u>546,397</u>	<u>1,928,617</u>	<u>-</u>	<u>1,928,617</u>
1,174	(19)	-	(11,210)	46,482	1,267	47,749
-	-	-	19,571	19,571	-	19,571
1,174	(19)	-	8,361	66,053	1,267	67,320
150	19	-	1,769	339,681	7,628	347,309
<u>\$ 1,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,130</u>	<u>\$ 405,734</u>	<u>\$ 8,895</u>	<u>\$ 414,629</u>

(Concluded)

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL SUPPORT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 96,050	\$ 96,050	\$ 83,413	\$ (12,637)
Miscellaneous	26,439	140,092	159,235	19,143
Total Revenues	<u>122,489</u>	<u>236,142</u>	<u>242,648</u>	<u>6,506</u>
Expenditures:				
Current:				
Support Services:				
Pupils	25,288	25,288	25,577	(289)
Instructional Staff	14,414	14,414	31,585	(17,171)
Extracurricular Activities	98,949	298,949	223,068	75,881
Total Expenditures	<u>138,651</u>	<u>338,651</u>	<u>280,230</u>	<u>58,421</u>
Excess of Revenues Over(Under)				
Expenditures	(16,162)	(102,509)	(37,582)	64,927
Fund Balance at Beginning of Year	96,487	96,487	96,487	-
Prior Year Encumbrances Appropriated	6,022	6,022	6,022	-
Fund Balance at End of Year	<u>\$ 86,347</u>	<u>\$ -</u>	<u>\$ 64,927</u>	<u>\$ 64,927</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOUNDATION GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<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>116</u>	<u>116</u>	<u>116</u>	<u>-</u>
Total Expenditures	<u>116</u>	<u>116</u>	<u>116</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	(116)	(116)	(116)	-
Fund Balance at Beginning of Year	<u>416</u>	<u>416</u>	<u>416</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 300</u></u>	<u><u>\$ 300</u></u>	<u><u>\$ 300</u></u>	<u><u>\$ -</u></u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISTRICT MANAGED STUDENT ACTIVITIES - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Tuition and Fees	\$ -	\$ -	\$ 57,839	\$ 57,839
Extracurricular Activities	289,036	389,036	360,349	(28,687)
Miscellaneous	-	-	16,150	16,150
	<u>289,036</u>	<u>389,036</u>	<u>434,338</u>	<u>45,302</u>
Total Revenues				
Expenditures:				
Current:				
Extracurricular Activities	<u>537,690</u>	<u>496,364</u>	<u>508,018</u>	<u>(11,654)</u>
Total Expenditures	<u>537,690</u>	<u>496,364</u>	<u>508,018</u>	<u>(11,654)</u>
Excess of Revenues Over(Under)				
Expenditures	(248,654)	(107,328)	(73,680)	33,648
Fund Balance at Beginning of Year	177,991	177,991	177,991	-
Prior Year Encumbrances Appropriated	<u>70,663</u>	<u>70,663</u>	<u>70,663</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 141,326</u>	<u>\$ 174,974</u>	<u>\$ 33,648</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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 8,500	\$ 9,109	\$ 9,109	\$ -
Total Revenues	<u>8,500</u>	<u>9,109</u>	<u>9,109</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	<u>8,500</u>	<u>9,109</u>	<u>9,109</u>	<u>-</u>
Total Expenditures	<u>8,500</u>	<u>9,109</u>	<u>9,109</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DATA COMMUNICATIONS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOLNET PROFESSIONAL DEVELOPMENT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 50	\$ 3,975	\$ 3,925	\$ (50)
Total Revenues	<u>50</u>	<u>3,975</u>	<u>3,925</u>	<u>(50)</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>350</u>	<u>4,275</u>	<u>4,225</u>	<u>50</u>
Total Expenditures	<u>350</u>	<u>4,275</u>	<u>4,225</u>	<u>50</u>
Excess of Revenues Over(Under) Expenditures	(300)	(300)	(300)	-
Fund Balance at Beginning of Year	(50)	(50)	(50)	-
Prior Year Encumbrances Appropriated	<u>350</u>	<u>350</u>	<u>350</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
OHIO READS GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SUMMER INTERVENTION GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Special	7,661	7,661	7,661	-
Total Expenditures	7,661	7,661	7,661	-
Excess of Revenues Over(Under) Expenditures	(7,661)	(7,661)	(7,661)	-
Fund Balance at Beginning of Year	7,661	7,661	7,661	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SAFE SCHOOL HELPLINE - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	56	56	-	56
Total Expenditures	56	56	-	56
Excess of Revenues Over(Under) Expenditures	(56)	(56)	-	56
Fund Balance at Beginning of Year	56	56	56	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56</u>	<u>\$ 56</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-B GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 513,470	\$ 513,470	\$ 513,470	\$ -
Total Revenues	<u>513,470</u>	<u>513,470</u>	<u>513,470</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	178,470	178,470	168,082	10,388
Support Services:				
Instructional Staff	<u>335,000</u>	<u>335,000</u>	<u>335,000</u>	<u>-</u>
Total Expenditures	<u>513,470</u>	<u>513,470</u>	<u>503,082</u>	<u>10,388</u>
Excess of Revenues Over(Under) Expenditures	-	-	10,388	10,388
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>\$ 10,388</u>	<u>\$ 10,388</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,589	\$ 5,336	\$ 5,336	\$ -
Total Revenues	<u>5,589</u>	<u>5,336</u>	<u>5,336</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>5,589</u>	<u>5,336</u>	<u>5,336</u>	<u>-</u>
Total Expenditures	<u>5,589</u>	<u>5,336</u>	<u>5,336</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ -	\$ 102,614	\$ 102,614	\$ -
Total Revenues	<u>-</u>	<u>102,614</u>	<u>102,614</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	<u>3,054</u>	<u>105,668</u>	<u>105,668</u>	<u>-</u>
Total Expenditures	<u>3,054</u>	<u>105,668</u>	<u>105,668</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	(3,054)	(3,054)	(3,054)	-
Fund Balance at Beginning of Year	<u>3,054</u>	<u>3,054</u>	<u>3,054</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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 7,501	\$ 7,501	\$ 7,501	\$ -
Total Revenues	<u>7,501</u>	<u>7,501</u>	<u>7,501</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	<u>7,501</u>	<u>7,506</u>	<u>7,506</u>	<u>-</u>
Total Expenditures	<u>7,501</u>	<u>7,506</u>	<u>7,506</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	(5)	(5)	-
Fund Balance at Beginning of Year	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DRUG FREE SCHOOLS PROGRAM - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 8,067	\$ 8,067	\$ 8,067	\$ -
Total Revenues	<u>8,067</u>	<u>8,067</u>	<u>8,067</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>8,067</u>	<u>8,067</u>	<u>8,067</u>	<u>-</u>
Total Expenditures	<u>8,067</u>	<u>8,067</u>	<u>8,067</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PRESCHOOL GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 20,323	\$ 22,155	\$ 22,155	\$ -
Total Revenues	<u>20,323</u>	<u>22,155</u>	<u>22,155</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>20,323</u>	<u>22,155</u>	<u>22,155</u>	<u>-</u>
Total Expenditures	<u>20,323</u>	<u>22,155</u>	<u>22,155</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-R GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 49,308	\$ 49,308	\$ -
Total Revenues	<u>-</u>	<u>49,308</u>	<u>49,308</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>150</u>	<u>49,458</u>	<u>49,458</u>	<u>-</u>
Total Expenditures	<u>150</u>	<u>49,458</u>	<u>49,458</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	(150)	(150)	(150)	-
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>150</u>	<u>150</u>	<u>150</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
SCHOOL TO WORK GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,732	\$ 14,334	\$ 14,334	\$ -
Total Revenues	<u>1,732</u>	<u>14,334</u>	<u>14,334</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,292	13,894	14,297	(403)
Support Services:				
Instructional Staff	<u>459</u>	<u>459</u>	<u>56</u>	<u>403</u>
Total Expenditures	<u>1,751</u>	<u>14,353</u>	<u>14,353</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	(19)	(19)	(19)	-
Fund Balance at Beginning of Year	<u>19</u>	<u>19</u>	<u>19</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 77,500	\$ 65,307	\$ 65,307	\$ -
Interest	500	1,423	1,424	1
Charges for Services	<u>461,000</u>	<u>459,391</u>	<u>459,391</u>	<u>-</u>
Total Revenues	<u>539,000</u>	<u>526,121</u>	<u>526,122</u>	<u>1</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	700	-	-	-
Non-Instructional Services	<u>564,873</u>	<u>546,896</u>	<u>546,396</u>	<u>500</u>
Total Expenditures	<u>565,573</u>	<u>546,896</u>	<u>546,396</u>	<u>500</u>
Excess of Revenues Over(Under) Expenditures	<u>(26,573)</u>	<u>(20,775)</u>	<u>(20,274)</u>	<u>501</u>
Other Financing Sources (Uses):				
Transfers-In	<u>25,369</u>	<u>19,571</u>	<u>19,571</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(1,204)	(1,204)	(703)	501
Fund Balance at Beginning of Year	<u>1,204</u>	<u>1,204</u>	<u>1,204</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 501</u>	<u>\$ 501</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ -	\$ -	\$ 421	\$ 421
Miscellaneous	-	-	846	846
Total Revenues	-	-	1,267	1,267
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over(Under) Expenditures	-	-	1,267	1,267
Fund Balance at Beginning of Year	7,628	7,628	7,628	-
Fund Balance at End of Year	\$ 7,628	\$ 7,628	\$ 8,895	\$ 1,267

Fiduciary Funds

Private-Purpose Trust Funds

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

Scholarship Trust Fund

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

Memorial Scholarship Trust Fund

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

Agency Funds

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

Student Managed Activities Fund

To account for the resources belonging to the various student groups in the District. The fund account for sales and other revenue generating activities by student activity programs that have students involved in the management of the program. 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, 2006

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 146	\$ -	\$ 146
Cash and Cash Equivalents:			
With Fiscal Agent	2,470	208,551	211,021
Total Assets	2,616	208,551	211,167
Net Assets:			
Held in trust for scholarships	2,616	208,551	211,167
Total Net Assets	\$ 2,616	\$ 208,551	\$ 211,167

**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, 2006

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Additions:			
Gifts and Donations	\$ 1,912	\$ 76,398	\$ 78,310
Investment Earnings	250	7,922	8,172
Total Additions	2,162	84,320	86,482
Deductions:			
Payments in accordance with trust agreements	4,150	10,500	14,650
Total Deductions	4,150	10,500	14,650
Change in Net Assets	(1,988)	73,820	71,832
Net Assets Beginning of Year	4,604	134,731	139,335
Net Assets End of Year	\$ 2,616	\$ 208,551	\$ 211,167

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

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
<u>Student Managed Activities</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 88,012	\$ 98,026	\$ 92,623	\$ 93,415
Total Assets	88,012	98,026	92,623	93,415
Liabilities:				
Due to Students	88,012	98,026	92,623	93,415
Total Liabilities	\$ 88,012	\$ 98,026	\$ 92,623	\$ 93,415

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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 1,800	\$ 1,800	\$ 1,912	\$ 112
Interest	100	100	250	150
Total Revenues	<u>1,900</u>	<u>1,900</u>	<u>2,162</u>	<u>262</u>
Expenses:				
Student Scholarships	<u>2,300</u>	<u>4,150</u>	<u>4,150</u>	<u>-</u>
Total Expenses	<u>2,300</u>	<u>4,150</u>	<u>4,150</u>	<u>-</u>
Excess of Revenues Over(Under) Expenses	(400)	(2,250)	(1,988)	262
Fund Equity at Beginning of Year	<u>4,605</u>	<u>4,605</u>	<u>4,605</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 4,205</u>	<u>\$ 2,355</u>	<u>\$ 2,617</u>	<u>\$ 262</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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ -	\$ -	\$ 76,398	\$ 76,398
Interest	<u>10,000</u>	<u>10,000</u>	<u>7,922</u>	<u>(2,078)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>84,320</u>	<u>74,320</u>
Expenses:				
Student Scholarships	<u>8,000</u>	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Total Expenses	<u>8,000</u>	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Excess of Revenues Over(Under) Expenses	2,000	(500)	73,820	74,320
Fund Balance at Equity of Year	<u>134,730</u>	<u>134,730</u>	<u>134,730</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 136,730</u>	<u>\$ 134,230</u>	<u>\$ 208,550</u>	<u>\$ 74,320</u>

STATISTICAL SECTION

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 84 to 89.

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 90 to 93.

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 94 to 96.

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 97 and 98.

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 99 to 101.

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 FOUR FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:				
Invested in capital assets, net of related debt	\$ 8,607,642	\$ 8,517,400	\$ 7,950,873	\$ 7,225,799
Restricted	1,797,636	2,195,260	956,260	529,835
Unrestricted	<u>(2,669,522)</u>	<u>(3,282,528)</u>	<u>(2,821,177)</u>	<u>(2,171,848)</u>
Total Net Assets:	<u>\$ 7,735,756</u>	<u>\$ 7,430,132</u>	<u>\$ 6,085,956</u>	<u>\$ 5,583,786</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.

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

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

	Fiscal Year			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses:				
Instruction:				
Regular (a)	\$ 10,089,546	\$ 9,735,077	\$ 8,764,573	\$ 7,913,107
Special	1,501,564	1,581,687	1,566,021	1,367,311
Vocational	-	-	-	109
Support Services:				
Pupils	1,020,040	1,067,645	973,272	924,738
Instructional staff	2,018,935	1,962,643	1,754,463	1,879,875
Board of education	71,887	75,315	55,746	38,388
Administration	1,924,465	1,720,829	1,557,300	1,438,747
Fiscal	681,595	579,921	643,629	547,138
Business	128,818	61,469	138,070	78,893
Operation and maintenance of plant	2,138,966	2,137,229	1,754,322	1,479,444
Pupil transportation	1,529,588	1,744,302	1,541,395	1,447,002
Central	92,611	85,132	122,872	149,737
Operation of non-instructional services	702,319	712,394	582,234	487,976
Extracurricular activities	1,030,830	1,020,552	1,022,039	1,019,555
Interest and fiscal charges (b)	2,422,989	2,434,193	2,088,755	457,242
Unallocated depreciation	492,431	453,581	454,454	454,658
Total Expenses	<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	1,233,624	1,206,150	1,220,579	1,102,121
Operating grants and contributions	837,227	820,659	678,695	459,022
Capital grants and contributions	13,072	39,304	16,071	39,467
Total Program Revenues	<u>2,083,923</u>	<u>2,066,113</u>	<u>1,915,345</u>	<u>1,600,610</u>
Net (Expenses)/Revenue	<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 four fiscal years.
 - (b) Increase in interest and fiscal charges relate to the \$44 million bond issued in FY2004.

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

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST FOUR FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expenses)/Revenue	\$ (23,762,661)	\$ (23,305,856)	\$ (21,103,800)	\$ (18,083,310)
General Revenues:				
Property taxes levied for:				
General purposes (a)	11,313,180	10,397,816	9,940,215	9,220,392
Debt service (b)	3,031,772	3,176,364	2,049,398	733,627
Capital outlay	630,020	624,011	613,909	416,449
Unrestricted grants and entitlements	8,152,944	8,035,944	8,003,879	7,783,380
Investment earnings	677,010	705,577	393,815	41,603
Miscellaneous	263,359	1,710,320	209,441	194,438
Total General Revenues	<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>\$ 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.

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

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

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund:										
Reserved	\$ 507,241	\$ 1,007,961	\$ 809,376	\$ 767,168	\$ 916,041	\$ 910,397	\$ 1,364,849	\$ 1,386,647	\$ 859,140	\$ 477,782
Unreserved	(1,845,194)	(2,163,267)	(2,008,967)	(1,800,271)	(1,610,389)	(238,616)	(503,658)	(353,515)	(111,337)	187,194
Total general fund	<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>	<u>\$ 747,803</u>	<u>\$ 664,976</u>
All Other Governmental Funds:										
Reserved (a)	\$ 7,817,647	\$ 21,991,285	\$ 7,771,452	\$ 173,827	\$ 318,967	\$ 192,670	\$ 250,469	\$ 237,630	\$ 900,707	\$ 32,801
Unreserved, reported in:										
Special revenue funds	251,384	262,846	231,588	204,909	182,986	193,219	212,170	192,978	155,457	131,450
Debt service funds (b)	1,356,258	1,286,519	807,235	426,041	607,469	623,577	553,930	355,739	153,283	71,891
Capital project funds (a)	(311,787)	4,791,483	33,087,325	(561,382)	(1,039,434)	(1,063,610)	(1,120,834)	(1,455,471)	(992,171)	(90,705)
Total all other governmental funds	<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>	<u>\$ 217,276</u>	<u>\$ 145,437</u>

Notes:

- (1) For fiscal year 2003 through 2006, 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 attributable 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									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues:										
Taxes (a)	\$ 14,906,339	\$ 14,154,000	\$ 12,605,432	\$ 10,408,965	\$ 10,614,577	\$ 10,082,554	\$ 10,136,830	\$ 9,884,944	\$ 8,947,258	\$ 7,998,674
Intergovernmental	9,003,243	8,895,907	8,701,300	8,281,458	7,307,438	6,138,509	5,542,868	5,146,234	4,813,605	4,376,529
Student sales	459,391	461,621	453,515	392,883	-	-	-	-	-	-
Interest	749,936	632,651	393,815	41,603	79,146	244,816	190,941	187,467	171,368	85,192
Tuition and fees	330,471	316,197	322,311	245,284	374,339	264,617	218,878	214,562	193,532	216,535
Extracurricular activities	443,762	428,332	444,753	463,954	344,884	402,438	331,579	236,874	244,749	204,208
Miscellaneous	259,717	1,683,831	177,198	194,438	181,172	292,660	97,137	98,816	40,626	80,772
Total Revenues	26,152,859	26,572,539	23,098,324	20,028,585	18,901,556	17,425,594	16,518,233	15,768,897	14,411,138	12,961,910
Expenditures:										
Instruction:										
Regular (b)	10,002,429	9,573,424	8,594,258	8,016,586	8,039,234	7,440,604	7,060,492	6,494,369	6,284,035	5,850,299
Special	1,499,283	1,590,898	1,559,557	1,368,347	1,380,161	1,339,386	1,098,782	1,046,192	1,032,467	926,521
Vocational	-	-	-	109	560	2,415	71	76	434	425
Support Services:										
Pupils	1,014,091	1,052,715	972,094	916,360	866,414	672,871	619,114	726,328	690,816	484,501
Instructional staff	2,020,570	1,918,511	1,780,790	1,910,973	1,686,636	1,346,733	1,354,933	989,732	624,811	515,021
Board of education	72,473	75,315	55,746	38,386	21,670	24,906	30,285	50,709	34,063	28,414
Administration	1,909,505	1,704,490	1,540,318	1,416,294	1,347,974	1,209,095	1,110,746	1,238,897	1,030,712	948,428
Fiscal	667,335	549,823	1,278,796	551,679	457,583	480,695	472,281	431,293	387,752	359,653
Business	128,818	98,728	100,811	82,377	104,742	62,134	58,874	29,318	36,314	34,563
Plant operation and maintenance	2,191,561	1,876,538	1,824,150	1,868,960	1,754,412	1,499,322	1,548,713	1,495,532	1,233,878	1,943,494
Pupil transportation	1,697,476	1,593,490	1,635,260	1,216,877	1,398,745	1,359,755	1,133,906	1,077,392	925,022	872,503
Central	92,611	85,132	122,872	150,139	103,046	114,645	4,191	6,182	6,254	3,281
Non-instructional services	688,702	697,632	565,274	470,087	31,276	6,350	16,211	19,522	17,873	14,585
Extracurricular activities	992,038	979,690	1,018,758	983,861	958,967	789,197	693,693	606,666	568,941	554,254
Capital outlay (c)	19,012,186	15,493,891	1,712,219	2,254,865	609,538	837,800	20,897	877,967	249,850	1,128,053
Debt Service:										
Principal retirement (c)	1,511,820	908,959	2,221,888	755,907	847,048	790,854	627,317	896,273	821,392	747,106
Interest and fiscal charges (c)	2,296,766	2,297,619	1,787,270	354,296	385,892	410,803	424,746	457,671	454,952	499,219
Total Expenditures	45,797,664	40,496,855	26,770,061	22,356,103	19,993,898	18,387,565	16,275,252	16,444,119	14,399,566	14,910,320
Excess or Revenues Over(Under) Expenditures	\$(19,644,805)	\$(13,924,316)	\$(3,671,737)	\$(2,327,518)	\$(1,092,342)	\$(961,971)	\$ 242,981	\$(675,222)	\$ 11,572	\$(1,948,410)
<i>Debt Service as a Percentage of Expenditures</i>	14.22%	12.82%	16.00%	5.52%	6.36%	6.85%	6.47%	8.70%	9.02%	9.04%
<i>Noncapital Expenditures</i>										

Notes:

- (1) For fiscal year 2003 through 2006, 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 four 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									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Excess or Revenues Over(Under) Expenditures	\$ (19,644,805)	\$ (13,924,316)	\$ (3,671,737)	\$ (2,327,518)	\$ (1,092,342)	\$ (961,971)	\$ 242,981	\$ (675,222)	\$ 11,572	\$ (1,948,410)
Other Financing Sources (Uses):										
Inception of capital lease	239,885	376,645	-	1,400,000	-	821,278	-	56,493	-	-
Refund of prior year expenditures	-	-	(4,296,939)	-	-	-	-	17,258	146,539	52,555
Payment to escrow agent	-	-	47,990,000	-	-	-	150,000	-	-	-
Proceeds from sale of bonds	-	-	1,434,150	-	-	-	-	-	-	755,000
Premium on sale of bonds	3,642	26,489	32,243	-	-	-	70	1,484	263	775
Proceeds from sale of capital assets	19,571	378,756	44,388,141	342,550	584,529	330,673	330,048	387,335	121,297	104,829
Transfers-In	(19,571)	(378,756)	(44,388,141)	(342,550)	(733,988)	(330,673)	(330,048)	(387,335)	(121,434)	(97,300)
Transfers-Out	243,527	403,134	45,159,454	1,400,000	(149,459)	821,278	150,070	75,235	146,665	815,859
Total Other Financing Sources(Uses)										
	\$ (19,401,278)	\$ (13,521,182)	\$ 41,487,717	\$ (927,518)	\$ (1,241,801)	\$ (140,693)	\$ 393,051	\$ (599,987)	\$ 158,237	\$ (1,132,551)
Net Change in Fund Balances										

Notes:

- (1) For fiscal year 2003 through 2006, 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 Real and Personal		Tangible Personal		Total		Assessed Value Ratio
	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	
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%
1998	258,621,640	738,918,971	19,523,770	22,186,102	9,188,372	36,753,488	287,333,782	797,858,562	36.01%
1997	249,639,990	713,257,114	19,168,390	21,782,261	8,718,782	34,875,128	277,527,162	769,914,503	36.05%

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:

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

SUGARCREEK LOCAL SCHOOL DISTRICT
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
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
1998	(a)	(a)	(a)	63.35	9.08	3.45	20.90	96.78
1997	(a)	(a)	(a)	63.35	9.08	3.45	20.90	96.78

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 SEVEN YEARS AGO**

Name of Taxpayer	Fiscal Year 2006			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	\$ 10,373,410	1	2.55%	\$ 18,246,670	1	4.48%
Home Depot	4,727,070	2	1.16%	-		0.00%
Sugarcreek Plaza II, LLC	4,404,350	3	1.08%	2,200,560	6	0.54%
Lofino Properties LLC	4,121,430	4	1.01%	3,159,700	3	0.78%
Five Seasons Sports Country Club	3,281,805	5	0.81%	1,988,820	8	0.49%
Target	2,944,600	6	0.72%	-		0.00%
Mill Pond Limited Partnership	2,601,070	7	0.64%	2,847,760	4	0.70%
RLG Center Point LTD	2,490,440	8	0.61%	-		0.00%
Spears Wendell E	2,454,890	9	0.60%	1,550,080	10	0.38%
Briggs Road Associates	2,216,780	10	0.54%	1,613,220	9	0.40%
Papock Herber	-		0.00%	3,650,360	2	0.90%
Ohio Bell Telephone Company	-		0.00%	2,558,850	5	0.63%
Sugarcreek Associates	-		0.00%	2,088,060	7	0.51%
Subtotal	39,615,845		9.72%	39,904,080		9.79%
All Other Taxpayers	367,886,905		90.28%	258,688,149		63.48%
Total Assessed Valuation	<u>\$ 407,502,750</u>		<u>100.00%</u>	<u>\$ 298,592,229</u>		<u>73.27%</u>

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

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
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%
1997	10,029,358	9,651,196	15,485	9,666,681	96.38%	343,779	3.43%
1996	8,894,553	8,543,967	12,775	8,556,742	96.20%	375,137	4.22%

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 2005 is the latest complete information available.

Notes:

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

**SUGARCREEK LOCAL SCHOOL DISTRICT
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)
2006	\$ 48,653,653	\$ -	\$ 930,968	\$ 49,584,621	9.37%	\$ 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
1998	8,267,165	914,000	19,326	9,200,491	2.84%	860
1997	8,950,953	1,039,500	31,430	10,021,883	3.33%	884

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**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2006**

<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	\$ 33,381,004	13.25%	\$ 4,424,481
Subtotal, Overlapping Debt			4,424,481
School District Direct Debt			<u>49,584,621</u>
Total Direct and Overlapping Debt			<u>\$ 54,009,102</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 born 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 SEVEN FISCAL YEARS

	Fiscal Year						
	2006	2005	2004	2003	2002	2001	2000
Assessed Value	\$ 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)	\$ 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	(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	1,356,258	1,286,519	807,235	426,041	607,469	623,577	553,930
Net Bonded Debt	(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)	\$ (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)	\$ 4,123,872	\$ 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	\$ 4,123,872	\$ 3,693,152	\$ 3,474,859	\$ 3,323,953	\$ 2,668,861	\$ 2,491,215	\$ 2,039,330
Unvoted Debt Limit: (a)	\$ 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	\$ 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**

Calendar Year	Population (a)	Personal Income (b)	Per Capita Personal Income	Unemployment Rate (c)
2005	14,450	\$ 529,000,725	\$ 36,609	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%
1997	10,703	324,397,285	30,309	3.60%
1996	11,336	300,575,487	26,515	3.50%

Notes:

- (a) - Fiscal years 1996 to 1999: U.S. Bureau of the Census, Population Estimates Branch.
Fiscal year 2000 to 2006: Estimates by City of Bellbrook, Ohio and Sugarcreek Township.
- (b) - Ohio Department of Taxation; information for 2005 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 TWO YEARS AGO**

<u>Employer</u>	<u>Fiscal Year 2006</u>		<u>Fiscal Year 2004 (a)</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Sugarcreek Local School District	277	1	277	1
Super Walmart	270	2	250	2
Lowe's Home Improvement	140	3	140	3
Kohl's	140	4	140	4
Home Depot	134	5	134	6
Cub Foods	130	6	135	5
Cracker Barrel	120	7	120	7
Five Seasons Sports Country Club	115	8	115	8
Kroger's	112	9	112	9
City of Bellbrook	63	10	63	10

Source: Bellbrook-Sugarcreek Chamber of Commerce

Notes:

- (1) - Total employees within District boundaries could not be provided.
- (a) - 2004 was the first year the information was available.

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

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
FISCAL YEAR 2006

	<u>2006</u>
Supervisory	
Superintendent	1
Principals	5
Assistant Principals	3
Transportation Coordinator	1
Administrative Assistant	1
Total supervisory	<u>11</u>
Instruction	
Classroom Teachers	118.2
Special Education Teachers	13.5
Special Education Aides	14
Regular Classroom Aides	10
Total instruction	<u>155.7</u>
Student Services	
Guidance Counselors	6.25
Technology Coordinators	2
Total student services	<u>8.25</u>
Support and Administration	
Clerical/Secretarial/Library	23
Treasurer	1
Treasurer's Office	2
Business Manager	0.6
Bus Drivers	38
Transportation Aides	3
Nurses	2
Custodial/Maintenance	22
Curriculum Coordinator	1
Total support and administration	<u>92.6</u>
Total	<u><u>267.55</u></u>

Source: District personnel records

Notes:

- (1) Information is only presented for fiscal year 2006 and additional years will be accumulated in future years.

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

**COST PER PUPIL
LAST TEN FISCAL YEARS**

Fiscal Year	General Fund Expenditures	Average Daily Membership	Per Pupil Cost
2005	\$ 20,213,640	2,737	\$ 7,385
2004	19,330,984	2,776	6,964
2003	18,526,151	2,761	6,710
2002	17,576,057	2,751	6,389
2001	17,377,432	2,651	6,555
2000	15,568,436	2,603	5,981
1999	14,462,790	2,585	5,595
1998	13,469,157	2,579	5,223
1997	12,594,910	2,558	4,924
1996	12,607,299	2,486	5,071

Source: School District Financial Records

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

**CAPITAL ASSET INFORMATION
FISCAL YEAR 2006**

	<u>2006</u>
<u>School Buildings:</u>	
Elementary	
Buildings	3
Square Feet	127,330
Capacity	1,300
Enrollment	1,217
Middle	
Buildings	1
Square Feet	73,514
Capacity	650
Enrollment	656
High	
Buildings	1
Square Feet	161,000
Capacity	1,025
Enrollment	963
<u>Administrative Building:</u>	
Buildings	1
Square Feet	3,350
<u>Transportation:</u>	
Garages	1
Buses	43
<u>Athletics:</u>	
Football Fields	3
Soccer Fields	2
Running Tracks	1
Baseball/Softball Fields	2
Playgrounds	4

Notes:

- (1) Information is only presented for fiscal year 2006 and 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
MARCH 20, 2007