

Bellbrook-Sugarcreek Local School District
Greene County
Single Audit
For the Fiscal Year Ended June 30, 2010



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Dave Yost • Auditor of State

Board of Education
Bellbrook-Sugarcreek Local School District
60 East South Street
Bellbrook, Ohio 45305

We have reviewed the *Independent Auditor's Report* of the Bellbrook-Sugarcreek Local School District, Greene County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2009 through June 30, 2010. 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 Bellbrook-Sugarcreek Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 13, 2011

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Bellbrook-Sugarcreek Local School District
Greene County
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For the Fiscal Year Ended June 30, 2010

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Bellbrook-Sugarcreek Local School District
Greene County
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>United States Department of Agriculture</u>						
<i>Passed through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$8,061	\$0	\$8,061	\$0
National School Lunch Program	3L60	10.555	155,488	20,114	155,488	20,114
Total Child Nutrition Cluster			163,549	20,114	163,549	20,114
Total United States Department of Agriculture			163,549	20,114	163,549	20,114
<u>United States Department of Education</u>						
<i>Passed through the Ohio Department of Education</i>						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	454,432	0	454,432	0
ARRA Special Education-Grants to States, Recovery Act	3DJ0	84.391	452,672	0	423,658	0
Special Education-Preschool Grants	3C50	84.173	16,729	0	16,729	0
ARRA Special Education-Preschool Grants, Recovery Act	3DL0	84.392	17,925	0	17,925	0
Total Special Education Cluster			941,758	0	912,744	0
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	183,121	0	183,121	0
ARRA Title I Grants to Local Educational Agencies, Recovery Act	3D50	84.389	50,000	0	3,768	0
Total Title I Cluster			233,121	0	186,889	0
Javits Gifted and Talented Students Education Grant Program	3700	84.206	500	0	500	0
ARRA State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	GRF	84.394	389,762	0	389,762	0
Safe and Drug Free Schools and Communities-State Grants	3D10	84.186	5,787	0	5,787	0
Educational Technology State Grants	3S20	84.318	1,640	0	1,640	0
Improving Teacher Quality State Grants	3Y60	84.367	53,072	0	53,072	0
Total United States Department of Education			1,625,640	0	1,550,394	0
Total Federal Financial Assistance			\$1,789,189	\$20,114	\$1,713,943	\$20,114

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

Bellbrook-Sugarcreek Local School District
Greene County
Notes to the Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2010

Note 1 – Significant Accounting Policies

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

Note 2 – Child Nutrition Cluster

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed that federal monies are expended first. Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the schedule using the entitlement value of the commodities received.

Note 3 – Food Donation

The School District reports commodities consumed on the schedule at the entitlement value. The School District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

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*

Board of Education
Bellbrook-Sugarcreek Local School District
60 East South Street
Bellbrook, Ohio 45305

We have audited the financial statements the governmental activities, each major fund, and the aggregate remaining fund information of Bellbrook-Sugarcreek Local School District, Greene County (the School District) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 6, 2010, wherein we noted the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. 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 School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financing reporting. This item is identified as Finding 2010-1 in the accompanying schedule of findings and questioned costs. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Bellbrook-Sugarcreek Local School District
Greene County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School District in a separate letter dated December 6, 2010.

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Education, others within the School District, 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.



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

December 6, 2010

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Education
Bellbrook-Sugarcreek Local School District
60 East South Street
Bellbrook, Ohio 45305

Compliance

We have audited Bellbrook-Sugarcreek Local School District's, Greene County (the School District) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2010. The School District's major federal programs are 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 each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

Internal Control Over Compliance (Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Federal Awards Expenditures

We have audited the financial statements the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2010, and have issued our report thereon dated December 6, 2010, wherein we noted the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Education, others within the School District, 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.



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

December 6, 2010

Bellbrook-Sugarcreek Local School District
Greene County
Schedule of Findings and Questioned Costs
OMB Circular A-133 Section .505
For the Fiscal Year Ended June 30, 2010

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>		
Type of financial statement opinion:		Unqualified
Internal control over financial reporting:		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?		No
<i>Federal Awards</i>		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:		Unqualified
Any auditing findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?		No
Identification of major program(s):		Special Education Cluster (CFDA #84.027, #84.391, #84.173, and #84.392) State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (CFDA #84.394)
Dollar threshold used to distinguish between type A and type B programs:		\$300,000
Auditee qualified as low-risk auditee?		Yes

Bellbrook-Sugarcreek Local School District
Greene County
Schedule of Findings and Questioned Costs
OMB Circular A-133 Section .505
For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Findings

Finding 2010-1

Significant Deficiency – Financial Reporting

A monitoring system by the School District should be in place to prevent or detect misstatements for the accurate presentation of the School District’s financial statements. Errors were identified within the property taxes receivable balance and related deferred revenue. These errors required adjustments in order to properly present balances. The School District uses an outside consultant to assist in the preparation of the GAAP financial statements. The School District should implement additional monitoring procedures over work performed by its consultant to ensure financial reports are fairly stated.

Client Response:

In the future, we will double-check to be certain that we have used the correct certificate in calculating taxes receivable.

Section III – Federal Award Findings and Questioned Costs

None

Bellbrook-Sugarcreek Local School District

Greene County

Schedule of Prior Audit Findings

OMB Circular A-133 Section .315(b)

For the Fiscal Year Ended June 30, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Finding 2009-01	Noncompliance with ORC Section 5705.36(A)(2) – Appropriations in Excess of Available Resources	Yes	
Finding 2009-02	Noncompliance with ORC Section 5705.10 – Negative Fund Balances	Yes	

Comprehensive
Annual
Financial
Report

for the Fiscal Year Ended
June 30, 2010



Bellbrook-Sugarcreek
School District

Bellbrook, Ohio

Bellbrook-Sugarcreek Local School District

Bellbrook, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

Issued By:
Treasurer's Office

Kevin Liming
Treasurer

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Introductory Section

FINANCIAL • STATISTICAL



Comprehensive
Annual
Financial
Report
for the Fiscal Year Ended
June 30, 2010

**BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT
 GREENE COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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**BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT
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**BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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BELLBROOK-SUGARCREEK SCHOOLS

"Soaring Toward Excellence"

Kevin L. Liming
Treasurer/CFO

December 6, 2010

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Bellbrook-Sugarcreek Local School District. The information reported is for the fiscal year ended June 30, 2010. 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 2010.

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 Millhuff-Stang, CPA, Inc. to perform the School District's annual audit, under a five-year audit contract. Their unqualified ("clean") opinion on the School District's financial statements for the fiscal year ended June 30, 2010 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

Bellbrook-Sugarcreek Local School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District was formed as an independent school district sometime prior to 1930 and currently provides educational services to residences of the City of Bellbrook and Sugarcreek Township in Greene County Ohio, as well as some parts of residential property located in Warren County, Ohio. The population of this area is estimated to be approximately 13,850 residents. The City of Bellbrook and Sugarcreek Township 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 249 employees who provide services to 2,710 students in grades Pre K thru 12.

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

LOCAL ECONOMY

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

The community has seen very little residential or commercial growth in the last two years, due to an economic downturn. Prior to that time, steady construction was occurring in the area. The School District is made up of residential properties as well as retail and restaurant commercial businesses. The majority of the residents commute to and work in adjacent communities. When the economy begins to improve, it is expected that several of the planned housing developments will again take place and growth will again be seen.

With the recent downturn in construction, the student growth is expected to level off and then steadily increase into the future at rates similar to those experienced in the recent past (about 5 percent increase after a few years of no growth). Current projections estimate the student enrollment to reach 2,850 in ten years, an increase of over 5 percent of the fiscal year 2010 school enrollment.

DISTRICT ACHIEVEMENTS

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.
- A 5.5 mill replacement operating levy was approved by voters on August 4, 2009 which was effective on January 1, 2010. This is expected to create additional revenue of approximately \$2.1 million annually; with half of that amount collected in fiscal year 2010.
- The School District made general fund reductions in the 2009-10 operating budget of over \$2.5 million. Most of these reductions were due to staff attrition, transportation bussing cuts, pay freezes, changing to "all day every other day" kindergarten schedules, and making "urgent necessity only" expenditures decisions.

Facilities

- During the 2009-10 fiscal year there were no significant construction projects undertaken. In the last five years, the School District has built a new Middle School and renovated and added onto three other school buildings, as well as renovating the athletic stadium. No new construction projects are being planned in the near future.

Technology

- The Board of Education continued 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. In the past few years, the Board has entered into four different lease purchase agreements to buy technology for each of the four District school buildings on a staggered year basis. The final payment on these leases will be made in the 2010-11 fiscal year.

MAJOR DISTRICT INITIATIVES

Academics

- The School District earned the highest rating (“Excellent”) from the Ohio Department of Education on its 2009-10 District Report Card by exceeding established benchmarks in 29 of the 30 indicators reported. In addition, all of our district schools individually achieved an “Excellent” report card rating.
- The School District continued school/college partnership with Wright State University.
- Emphasis focus on curriculum, instruction and assessment. Data was continually collected and analyzed on all students through both formative and summative assessments, and teacher teams met so that instruction would be planned to meet the needs of all of our students.
- The RTI (Response to Intervention) teams are in alignment Kindergarten through 12th grade, to reinforce a system of instruction and data based decision making to maximize student learning.
- The district continues to operate an optional All-Day Kindergarten Latchkey program, while moving towards preparation for the mandated All-Day Everyday program in the 2010-11 school year.

Professional Development

- The School District continues to 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.
- In June 2010, focus was placed on revising the Vision and Mission Statements for the School District. Out of this plan came strategies and action initiatives which will lead the way for innovative educational opportunities to maximize student growth, inspire learning and develop productive citizens. Board members, administrators, teachers, parents and community members met to accomplish this task.

- Bellbrook-Sugarcreek Local School District honored five teachers with “Master Teacher” designations. The Ohio Educator Standards Board has changed Senate Bill 2 to define “master teacher” in a uniform manner across the State. This rigorous, consistent set of criteria requires educators to demonstrate through verifiable evidence that they display leadership in their schools, collaboration with fellow educators, students and their families, expectation of high levels of learning and student success, active engagement in professional growth, and a deep understanding of the subjects they teach.

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

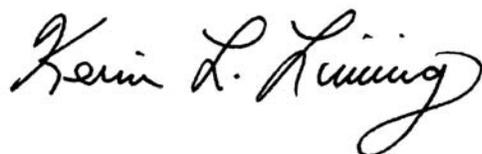
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Bellbrook-Sugarcreek Local School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. As part of the School District’s financial cutbacks made in fiscal year 2009, no CAFR was prepared and filed for that fiscal year.

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. We believe that our current CAFR meets the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for 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 Bellbrook-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 Bellbrook-Sugarcreek Local School District community, the staff of the Treasurer’s Office, Richard Cost, and Clark, Schaefer, Hackett & Company.

Respectfully submitted,



Kevin L. Liming
Treasurer/CFO

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2010

Board of Education

Mary Frantz, President

Elizabeth Betz, Vice President

Dennis Eck, Member

Dr. John Harmeyer, Member

Kathy Kingston, Member

Administration Team

Dr. Keith St. Pierre, Superintendent

Kevin Liming, Treasurer/CFO

William Wright, Business Manager

Betsy Chadd – Director of Curriculum

Tonya Wilson, Special Education Supervisor

Chris Baker, Principal, Bellbrook High School

Nikki Lowrey, Assistant Principal, Bellbrook High School

David Hann, Assistant Principal, Bellbrook High School

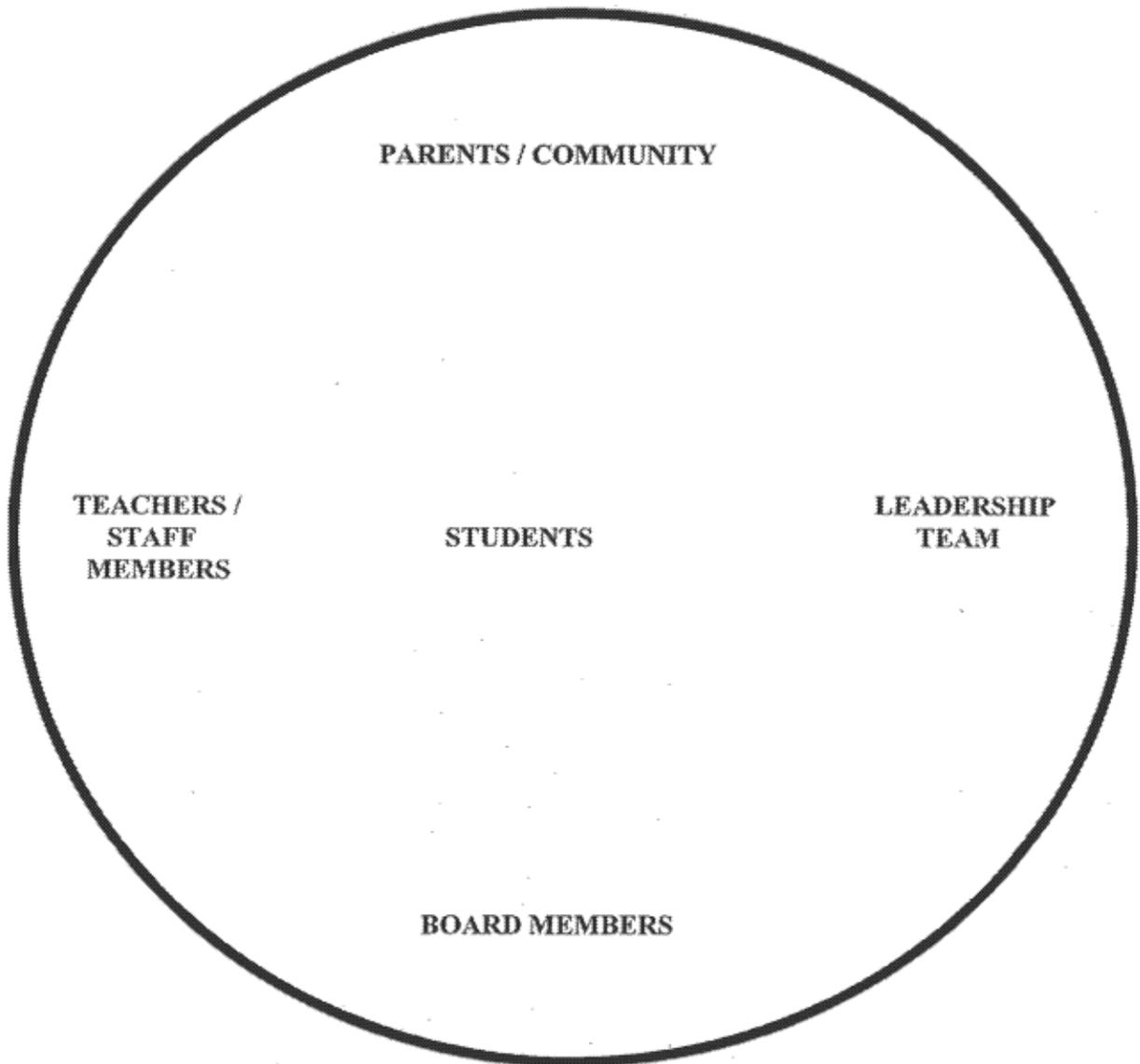
Jeness Sigman, Principal, Bellbrook Middle School

Jeff Eckley, Assistant Principal, Bellbrook Middle School

Michael Baldrige, Principal, Bell Creek Intermediate School

Ginger Keeton, Principal, Stephen Bell Elementary School

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



Financial Section

INTRODUCTORY • STATISTICAL



Comprehensive
Annual
Financial
Report

for the Fiscal Year Ended
June 30, 2010

Independent Auditor's Report

Board of Education
Bellbrook-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 Bellbrook-Sugarcreek Local School District, Greene County (the School District) as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bellbrook-Sugarcreek Local School District, Greene County as of June 30, 2010, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. 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 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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.

Bellbrook-Sugarcreek Local School District
Greene County
Independent Auditor's Report
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables 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 tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As described in Note 3, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

December 6, 2010

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010 (Unaudited)

The discussion and analysis of the Bellbrook-Sugarcreek Local School District's (previously known as Sugarcreek Local School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. 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 2010 are as follows:

Overall:

- Total net assets increased by approximately \$1.6 million or 32.6 percent during the year.
- Total assets of governmental activities decreased \$2.1 million, attributed primarily to the decrease in capital assets at June 30, 2010 compared with one year prior due to depreciation expense exceeding the current year capital asset additions.
- Total liabilities decreased by \$3.7 million due predominately to the scheduled debt service payments made during the fiscal year as well as the decrease in the amount reported for unearned revenue for the year attributable to the lower property tax receivable amount reported for 2010 levied to finance future periods.
- General revenues accounted for \$26.8 million or 88.7 percent of total revenue. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions account for \$3.4 million or 11.3 percent of total revenues of \$30.3 million.
- The general fund of the School District ended fiscal year 2010 with a fund deficit of \$1.4 million compared with the \$2.9 million deficit reported for the prior fiscal year. To address the financial needs of the School District, voters passed a renewal levy in May of 2009 and a 5.5 mill replacement levy in August 2009. The replacement levy is anticipated to generate approximately \$2.4 million of additional tax revenue per year for the School District. Another aspect of both levies is they were made permanent instead of term levies; therefore, the School District will not have to go to the ballot every five years as it had in the past.

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 Bellbrook-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.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010 (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, and the permanent improvement fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2010?" 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 statements provide detailed information about the General, Debt Service, and Permanent Improvement Funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other governmental funds.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(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 2010 compared to 2009:

TABLE 1
NET ASSETS

	<u>2010</u>	<u>2009</u>
<i>Assets</i>		
Current and Other Assets	\$ 20,440,023	\$ 20,503,510
Capital Assets	<u>54,689,851</u>	<u>56,743,877</u>
Total Assets	75,129,874	77,247,387
<i>Liabilities:</i>		
Long-term Liabilities	49,195,339	51,542,689
Other Liabilities	<u>19,488,613</u>	<u>20,844,250</u>
Total Liabilities	68,683,952	72,386,939
<i>Net Assets:</i>		
Invested in Capital Assets, Net of Debt	7,508,394	7,055,802
Restricted	652,912	1,258,550
Unrestricted	<u>(1,715,384)</u>	<u>(3,453,904)</u>
Total Net Assets	<u>\$ 6,445,922</u>	<u>\$ 4,860,448</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2010, the School District's net assets were \$6.4 million. Of that amount, approximately \$7.5 million was invested in capital assets, net of debt related to those assets. Another \$0.7 million was subject to external restrictions upon its use. The remaining unreserved deficit of \$1.7 million was due to the accruals of long-term liabilities for which the School District does not currently have resources to cover. To address the long-term financial health of the School District, budget cuts of \$2.5 million were enacted for fiscal year 2010 prior to the passage of the August 2009 replacement levy which will provide \$2.4 million of additional tax revenues per year. The School District will receive approximately one-half of the additional tax revenue during fiscal year 2010 with full collection being realized in fiscal year 2011 and after. The most recent financial forecast shows the School District with a positive ending general fund cash balance throughout the next five years.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Total assets reported at June 30, 2010 decreased by \$2.1 million from those reported one year prior. While taxes receivables decreased due to the current issues involving the valuation of real estate properties and the elimination of tangible personal property taxes by the State in fiscal year 2010, the decrease in capital asset accounts of the year represented the majority of the decrease in total assets. The decrease in capital assets was due to current year depreciation of \$2.3 million being significantly more than the \$217,204 of capital asset additions recognized during the fiscal year.

Total liabilities decreased by \$3.7 million during the year; long-term liabilities decreased by \$2.3 million and other liabilities decreased by \$1.4 million. The decrease in long-term liabilities resulted from the scheduled debt service payments on bonds and capital lease obligations made during the fiscal year. The decrease in other liabilities was due predominately to the \$1.2 million decrease in unearned revenue associated with property taxes levied as of the end of the year, but which are intended to finance future periods. The decrease in property taxes receivables for the fiscal year is described above.

The unrestricted net asset deficit reported at June 30, 2010 decreased by \$1.7 million over that reported one year prior.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

TABLE 2
CHANGES IN NET ASSETS

	<u>2010</u>	<u>2009</u>
<i>Revenues:</i>		
Program Revenues:		
Charges in Services & Sales	\$ 1,526,713	\$ 1,547,181
Operating Grants & Contributions	1,838,518	970,729
Capital Grants & Contributions	63,989	173,325
General Revenues:		
Property taxes	17,916,480	16,876,542
Grants & Entitlements	8,632,686	8,762,849
Other	289,440	261,370
Total Revenues	<u>30,267,826</u>	<u>28,591,996</u>
<i>Program Expenses:</i>		
Instruction	12,582,734	12,831,079
Support Services:		
Pupils and Instructional Staff	3,423,701	3,542,149
Board of Education, Administration, Fiscal and Business	2,965,686	2,750,498
Plant Operation and Maintenance	2,394,367	2,773,273
Pupil Transportation	1,360,191	1,612,388
Central	48,190	90,152
Operation of Non-Instructional Services	710,268	722,153
Extracurricular Activities	1,243,134	1,306,089
Unallocated Depreciation	1,806,254	1,807,669
Interest and Fiscal Charges	2,147,827	2,238,311
Total Expenses	<u>28,682,352</u>	<u>29,673,761</u>
<i>Change in Net Assets</i>	<u>\$ 1,585,474</u>	<u>\$ (1,081,765)</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

As shown in Table 2, \$26.8 million, or 88.7 percent, of the School District's total revenue is derived from general revenues, essentially property taxes and state entitlement programs. The 6.2 percent increase in property tax revenue reported for the year compared with the prior year is due to the passage of the replacement levies in 2009, of which the School District received approximately one-half of the increase in tax receipts in fiscal year 2010. The full increase in property tax receipts will be realized in fiscal year 2011 and beyond. The increase in operating grants and contributions is primarily due to additional grant monies the School District received through the American Reinvestment and Recovery Act (ARRA). It is important to note these programs will only provide funding for these programs for two fiscal years.

Total expenses of the School District decreased by \$991,409 from the amount reported in the prior year or 3.3 percent as management reduced the fiscal year 2010 budget accounts to address financial difficulties encountered prior to the passage of the levies in 2009. Virtually all of the expense accounts reported decreased expenses for fiscal year 2010 compared with the prior year, with no significant decreases reported for any one functional area.

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 2010 compared with those reported for fiscal year 2009.

TABLE 3
NET COST OF SERVICE

	<u>2010</u>	<u>2009</u>
Instruction	\$ 11,258,332	\$ 12,095,521
Support Services:		
Pupils and Instructional Staff	2,724,259	3,092,153
Board of Education, Administration, Fiscal and Business	2,965,686	2,750,498
Plant Operation and Maintenance	2,362,890	2,726,555
Pupil Transportation	1,360,191	1,585,693
Central	48,190	90,152
Operation of Non-Instructional Services	3,210	47,126
Extracurricular Activities	576,293	548,848
Unallocated Depreciation	1,806,254	1,807,669
Interest and Fiscal Charges	2,147,827	2,238,311
Total Net Cost of Service	<u>\$ 25,253,132</u>	<u>\$ 26,982,526</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010 (Unaudited)

In fiscal year 2010, 88.0 percent of the School District's expenses were financed through property taxes and state foundation revenues (general revenues), a slightly less dependence than what was reported in the prior year. In fiscal year 2010, the School District had program revenues totaling \$3.4 million, an increase of \$0.7 million from those reported for the prior fiscal year, due almost exclusively to the additional funding received through the ARRA grant programs noted above. Regardless, the School District remains significantly dependent on local revenues to fund its operations.

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$30.1 million and expenditures of \$29.0 million. The net increase in total governmental fund balance of \$1.2 million resulted in an overall fund balance of \$356,161 for the governmental funds. The School District reported \$1.6 million of fund balance reserved for various purposes at June 30, 2010.

The School District's general fund, the primary operating fund, ended fiscal year 2010 with a net unreserved, undesignated fund deficit of \$1.4 million, or \$1.6 million less than the deficit reported at June 30, 2009. Overall, the revenues of the general fund increased by \$1.1 million from those reported for the prior year due to the higher tax receipts received through the levies approved in 2009. Total expenditures of the general fund decreased by 6.5 percent, or \$1.5 million, over prior year levels as management enacted budget reductions for FY2010 to address the financial difficulties encountered.

The fund balance of the debt service fund decreased by \$521,328 during the year; ending with a fund balance of \$1.1 million. Due to the nature of the bond levy, the revenues and expenditures of the debt service fund will not equal one another in any one particular year, however over the life of the bond issue, the tax receipts and debt service payments should equate to one another.

The permanent improvement fund ended the fiscal year in virtually the same financial position as it began the year. The \$13,523 change in fund balance resulted in an ending fund balance of \$238,389. The majority of the expenditures reported in the permanent improvement fund were for debt service on the various leases the School District utilized to acquire certain capital assets.

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 actual revenue was \$22.3 million as compared to the original budget estimates of \$22.8 million. The reduction in anticipated revenues was the result of the School District not receiving as much as anticipated tax receipts from the levies passed in 2009, increasing amount of delinquent property taxes reported for the year and slightly less than anticipated receipts from the new state funding formula for school districts. Overall, actual budget basis receipts were 2.2 percent less than those originally anticipated for the year.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$23.8 million, which was \$2.0 million (9.2 percent) more than what was budgeted prior to the start of the fiscal year. The increase in budgetary expenditures reported for the year resulted from management originally basing appropriations on funding levels anticipated prior to tax levies being approved in August 2009. After the passage of these levies, some of the budget reductions originally anticipated were reinstated by management. The ending budgetary expenditures for fiscal year 2010 were approximately \$0.5 million less than the final amended budget adopted for the year.

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

Capital Assets

At the end of fiscal year 2010, the School District had \$54.7 million invested in land, land improvements, buildings, furniture and equipment, and vehicles in governmental activities. Table 4 shows fiscal year 2010 balances compared to 2009. For additional detail on the School District's capital assets readers should review Note 9 to the basic financial statements.

TABLE 4
CAPITAL ASSETS

	<u>2010</u>	<u>2009</u>
Land	\$ 3,432,055	\$ 3,432,055
Land Improvements	5,707,616	5,707,616
Buildings and Improvements	58,903,679	58,903,679
Furniture and Equipment	1,568,236	1,501,644
Vehicles	2,729,184	3,101,910
Less: Accumulated Depreciation	<u>(17,650,919)</u>	<u>(15,903,027)</u>
Total Capital Assets	<u>\$ 54,689,851</u>	<u>\$ 56,743,877</u>

Overall, net capital assets decreased by \$2.1 million compared to fiscal year 2009. The decrease in capital assets results from the amount of depreciation being charged against the assets for the fiscal year exceeding the amount of new capital assets reported.

During fiscal year 2010, the School District had capital asset additions of two school buses (\$150,612), two copiers (\$23,862), and various other pieces of computer and building equipment which totaled \$217,204. The School District disposed of ten school buses during the year with original cost of \$523,338 but which were fully depreciated at the time of disposal. Depreciation expense reported for fiscal year 2010 was \$2.3 million.

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.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Debt Administration

At June 30, 2010, the School District had a total of two general obligation bond issues outstanding with outstanding principal of \$42.3 million, of which \$1.1 million is due within one year.

In total, at the end of fiscal year 2010, the School District had \$49.2 million of outstanding long-term obligations; \$43.1 million related to general obligation bonds (including unamortized premiums and charges); \$1.4 million related to compensated absences (severance payments); and \$4.7 million of capital lease obligations. During the year, principal payments made on general obligation bonds and capital lease obligations totaled \$2.5 million. The total long-term obligations anticipated to be retired in the next fiscal year is \$1.7 million.

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

Contacting the School District's Financial Management

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

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

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
Assets:	
Equity in pooled cash, cash equivalents, and investments	\$ 2,171,138
Cash and cash equivalents with fiscal agents	11,054
Receivables:	
Accounts	70,695
Intergovernmental	3,569
Property and other taxes	17,756,985
Deferred charges	426,582
Capital Assets:	
Non-depreciable	3,432,055
Depreciable, net of accumulated depreciation	51,257,796
Total Assets	75,129,874
Liabilities:	
Accounts payable	33,722
Accrued wages and benefits payable	2,100,667
Intergovernmental payable	617,191
Accrued interest payable	176,669
Matured compensated absences	162,299
Unearned revenue	16,398,065
Long Term Liabilities:	
Due within one year	1,725,863
Due in more than one year	47,469,476
Total Liabilities	68,683,952
Net Assets:	
Invested in capital assets, net of related debt	7,508,394
Restricted for:	
Debt service	319,516
Capital projects	251,717
Other purpose	81,679
Unrestricted	(1,715,384)
Total Net Assets	\$ 6,445,922

See accompanying notes to the basic financial statements.

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for services & sales</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Total Governmental Activities</u>
Governmental Activities:					
Instruction:					
Regular	\$ 10,735,776	\$ 392,545	\$ 196,657	\$ -	\$ (10,146,574)
Special	1,840,755	-	735,200	-	(1,105,555)
Vocational	6,203	-	-	-	(6,203)
Support Services:					
Pupils	2,337,572	14,232	416,270	-	(1,907,070)
Instructional staff	1,086,129	-	268,940	-	(817,189)
Board of education	71,446	-	-	-	(71,446)
Administration	1,765,772	-	-	-	(1,765,772)
Fiscal	929,919	-	-	-	(929,919)
Business	198,549	-	-	-	(198,549)
Operation and maintenance of plant	2,394,367	24,877	-	6,600	(2,362,890)
Pupil transportation	1,360,191	-	-	-	(1,360,191)
Central	48,190	-	-	-	(48,190)
Operation of non-instructional services	710,268	539,879	167,179	-	(3,210)
Extracurricular activities	1,243,134	555,180	54,272	57,389	(576,293)
Interest and fiscal charges	2,147,827	-	-	-	(2,147,827)
Unallocated depreciation *	1,806,254	-	-	-	(1,806,254)
Total Governmental Activities	<u>\$ 28,682,352</u>	<u>\$ 1,526,713</u>	<u>\$ 1,838,518</u>	<u>\$ 63,989</u>	<u>(25,253,132)</u>

General Revenues:

Property taxes levied for:	
General purposes	14,288,437
Debt service	2,969,111
Capital outlay	658,932
Grants and entitlements not restricted to specific programs	8,632,686
Investment earnings	1,840
Miscellaneous	287,600
Total General Revenues	<u>26,838,606</u>
Changes in net assets	1,585,474
Net assets at beginning of year	<u>4,860,448</u>
Net assets at end of year	<u>\$ 6,445,922</u>

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

See accompanying notes to the basic financial statements.

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

COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Debt Service	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 634,025	\$ 922,367	\$ 200,918	\$ 413,828	\$ 2,171,138
Cash and Cash Equivalents:					
With Fiscal Agent	-	-	-	11,054	11,054
Receivables:					
Taxes	14,413,263	2,703,772	639,950	-	17,756,985
Accounts	70,695	-	-	-	70,695
Intergovernmental	-	-	-	3,569	3,569
Total Assets	<u>\$ 15,117,983</u>	<u>\$ 3,626,139</u>	<u>\$ 840,868</u>	<u>\$ 428,451</u>	<u>\$ 20,013,441</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 23,688	\$ -	\$ -	\$ 10,034	\$ 33,722
Accrued Wages and Benefits	2,100,667	-	-	-	2,100,667
Intergovernmental Payable	617,191	-	-	-	617,191
Matured Compensated Absences Payable	162,299	-	-	-	162,299
Deferred Revenue	13,588,284	2,549,069	602,479	3,569	16,743,401
Total Liabilities	<u>16,492,129</u>	<u>2,549,069</u>	<u>602,479</u>	<u>13,603</u>	<u>19,657,280</u>
<u>Fund Balances:</u>					
<u>Reserved for:</u>					
Encumbrances	261,830	-	180,000	102,523	544,353
Property Taxes	824,979	154,703	37,471	-	1,017,153
<u>Unreserved, Undesignated:</u>					
General Fund	(2,460,955)	-	-	-	(2,460,955)
Special Revenue Funds	-	-	-	287,397	287,397
Debt Service Fund	-	922,367	-	-	922,367
Capital Projects Funds	-	-	20,918	24,928	45,846
Total Fund Balances	<u>(1,374,146)</u>	<u>1,077,070</u>	<u>238,389</u>	<u>414,848</u>	<u>356,161</u>
Total Liabilities and Fund Balances	<u>\$ 15,117,983</u>	<u>\$ 3,626,139</u>	<u>\$ 840,868</u>	<u>\$ 428,451</u>	<u>\$ 20,013,441</u>

See accompanying notes to the basic financial statements.

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

Total Governmental Fund Balances:	\$	356,161
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		54,689,851
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	341,767	
Intergovernmental grants	3,569	
Total	345,336	345,336
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		426,582
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
G.O. bonds	(42,258,467)	
Accrued interest payable	(176,669)	
Deferred premium on bond issuance	(2,003,746)	
Deferred amount on refunding	1,133,160	
Compensated absences	(1,355,416)	
Capital leases	(4,710,870)	
Total	(49,372,008)	(49,372,008)
Net Assets of Governmental Activities	\$	6,445,922

See accompanying notes to the basic financial statements.

**BELLBROOK-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, 2010

	General Fund	Debt Service	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 14,178,061	\$ 2,962,734	\$ 655,321	\$ -	\$ 17,796,116
Intergovernmental	8,161,387	388,461	82,838	1,812,669	10,445,355
Student Sales	-	-	-	545,245	545,245
Interest	1,301	-	-	539	1,840
Tuition and Fees	392,545	-	-	86,906	479,451
Rentals	24,877	-	-	2,281	27,158
Gifts and Donations	-	-	57,389	28,880	86,269
Extracurricular Activities	-	-	-	426,634	426,634
Miscellaneous	193,205	-	-	99,192	292,397
Total Revenues	<u>22,951,376</u>	<u>3,351,195</u>	<u>795,548</u>	<u>3,002,346</u>	<u>30,100,465</u>
Expenditures:					
Current:					
Instruction:					
Regular	10,444,776	-	399	163,544	10,608,719
Special	1,172,658	-	-	666,693	1,839,351
Vocational	6,203	-	-	-	6,203
Support Services:					
Pupils	1,936,020	-	-	431,145	2,367,165
Instructional Staff	805,320	-	7,956	272,853	1,086,129
Board of Education	71,446	-	-	-	71,446
Administration	1,764,068	-	-	25,161	1,789,229
Fiscal	894,024	45,606	10,058	-	949,688
Business	100,259	-	-	-	100,259
Plant Operation and Maintenance	2,324,784	-	18,649	43,598	2,387,031
Pupil Transportation	1,229,445	-	-	-	1,229,445
Central	40,300	-	-	-	40,300
Non-Instructional Services	3,312	-	-	680,160	683,472
Extracurricular Activities	506,350	-	17,415	578,778	1,102,543
Capital Outlay	79,600	-	103,583	34,021	217,204
Debt Service:					
Principal Retirement	-	2,040,000	435,884	-	2,475,884
Interest and Fiscal Charges	7,833	1,786,917	226,881	-	2,021,631
Total Expenditures	<u>21,386,398</u>	<u>3,872,523</u>	<u>820,825</u>	<u>2,895,953</u>	<u>28,975,699</u>
Excess of Revenues Over(Under) Expenditures	<u>1,564,978</u>	<u>(521,328)</u>	<u>(25,277)</u>	<u>106,393</u>	<u>1,124,766</u>
Other Financing Sources (Uses):					
Insurance Proceeds	31,428	-	-	-	31,428
Proceeds from Sale of Assets	12,000	-	-	-	12,000
Transfers-In	-	-	38,800	-	38,800
Transfers-Out	(38,800)	-	-	-	(38,800)
Total Other Financing Sources (Uses)	<u>4,628</u>	<u>-</u>	<u>38,800</u>	<u>-</u>	<u>43,428</u>
Net Change in Fund Balance	1,569,606	(521,328)	13,523	106,393	1,168,194
Fund Balance at Beginning of Year	(2,943,752)	1,598,398	224,866	308,455	(812,033)
Fund Balance at End of Year	<u>\$ (1,374,146)</u>	<u>\$ 1,077,070</u>	<u>\$ 238,389</u>	<u>\$ 414,848</u>	<u>\$ 356,161</u>

See accompanying notes to the basic financial statements.

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Net Change in Fund Balances - Total Governmental Funds		\$ 1,168,194
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The following is a summary of the activity associated with capital assets.		
Capital asset additions	217,204	
Current year depreciation	<u>(2,271,230)</u>	
Total		(2,054,026)
Long term receivables that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	120,364	
Intergovernmental grants	<u>3,569</u>	
Total		123,933
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal payments on G.O. bonds	2,040,000	
Principal payments on capital leases	<u>435,884</u>	
Total		2,475,884
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences payable	22,179	
Accrued interest payable	24,517	
Annual accretion on capital appreciation bonds	(181,447)	
Amortization of bond issuance cost	(24,494)	
Amortization of bond premium	105,773	
Amortization of deferred charge on refunding	<u>(75,039)</u>	
Total		<u>(128,511)</u>
Change in Net Assets of Governmental Activities		<u><u>\$ 1,585,474</u></u>

See accompanying notes to the basic financial statements.

**BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 13,779,463	\$ 13,600,000	\$ 13,575,526	\$ (24,474)
Intergovernmental	8,350,578	8,138,000	8,161,387	23,387
Interest	30,000	30,000	1,301	(28,699)
Tuition and Fees	391,000	391,000	380,694	(10,306)
Rentals	31,000	31,000	24,877	(6,123)
Gifts and Donations	50,000	50,000	-	(50,000)
Miscellaneous	140,000	140,000	133,807	(6,193)
Total Revenues	22,772,041	22,380,000	22,277,592	(102,408)
Expenditures:				
Current:				
Instruction:				
Regular	10,101,618	10,339,041	10,574,548	(235,507)
Special	1,384,658	1,417,203	1,174,614	242,589
Vocational	-	-	6,753	(6,753)
Support Services:				
Pupils	2,176,082	2,227,228	1,949,246	277,982
Instructional Staff	792,195	810,815	842,244	(31,429)
Board of Education	41,524	42,500	73,154	(30,654)
Administration	1,850,186	1,893,672	1,789,399	104,273
Fiscal	710,486	727,185	837,490	(110,305)
Business	102,527	104,937	103,114	1,823
Plant Operation and Maintenance	2,654,031	2,716,411	2,536,394	180,017
Pupil Transportation	1,260,819	1,292,216	1,231,937	60,279
Central	63,292	64,780	46,397	18,383
Non-Instructional Services	6,839	7,000	4,109	2,891
Extracurricular Activities	537,907	550,550	508,489	42,061
Capital Outlay	75,000	75,000	79,600	(4,600)
Debt Service:				
Principal Retirement	-	2,000,000	2,000,000	-
Interest and Fiscal Charges	-	-	7,833	(7,833)
Total Expenditures	21,757,164	24,268,538	23,765,321	503,217
Excess of Revenues Over(Under)				
Expenditures	1,014,877	(1,888,538)	(1,487,729)	400,809
Other Financing Sources (Uses):				
Insurance Proceeds	28,000	28,000	31,428	3,428
Proceeds from Sale of Notes	1,000,000	2,000,000	2,000,000	-
Refund of Prior Year Expenditures	1,000	1,000	59,398	58,398
Proceeds from Sale of Assets	-	-	12,000	12,000
Transfers-Out	(34,196)	(35,000)	(38,800)	(3,800)
Total Other Financing Sources (Uses)	994,804	1,994,000	2,064,026	70,026
Net Change in Fund Balance	2,009,681	105,462	576,297	470,835
Fund Balance at Beginning of Year	(401,060)	(401,060)	(401,060)	-
Prior Year Encumbrances Appropriated	174,978	174,978	174,978	-
Fund Balance at End of Year	\$ 1,783,599	\$ (120,620)	\$ 350,215	\$ 470,835

See accompanying notes to the basic financial statements.

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

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Private Purpose Trust	Agency Funds
Assets:		
Equity in pooled cash and cash equivalents	\$ 137	\$ 74,181
Cash and Cash Equivalents:		
With Fiscal Agent	249,492	-
Total Assets	249,629	74,181
Liabilities:		
Due to students	-	74,181
Total Liabilities	-	\$ 74,181
Net Assets:		
Held in trust for scholarships	249,629	
Total Net Assets	\$ 249,629	

See accompanying notes to the basic financial statements.

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Donations	\$ 32,413
Investment Earnings	<u>16,268</u>
Total Additions	<u>48,681</u>
Deductions:	
Payments in accordance with trust agreements	<u>14,000</u>
Total Deductions	<u>14,000</u>
Change in Net Assets	34,681
Net Assets Beginning of Year	<u>214,948</u>
Net Assets End of Year	<u><u>\$ 249,629</u></u>

See accompanying notes to the basic financial statements.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Bellbrook-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 Bellbrook-Sugarcreek Local School District was formed sometime prior to 1930. During fiscal year 2010, the name of the School District was officially changed from Sugarcreek Local School District to Bellbrook-Sugarcreek Local School District.

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 249 employees who provide services to 2,710 students and other community members.

Reporting Entity

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

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

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

The School District does not have any component units.

The District is associated with four organizations, which are defined as jointly governed. These organizations include the Miami Valley Educational Computer Association, the Southwestern Ohio Educational Purchasing Cooperative, the Greene County Career Center, and the Bellbrook/Sugarcreek Education Foundation. These organizations are presented in Note 18 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bellbrook-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 more significant of the School District's accounting policies are described below.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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 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.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Governmental Funds

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

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

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

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

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

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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.

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not have a measurement focus.

D. Basis of Accounting

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

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

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

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

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

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

The accrual basis of accounting utilized on the government-wide financial statements and by fiduciary funds recognizes revenues when they are earned, and expenses are recognized at the time they are incurred.

E. Budget Data

With the exception of 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 2010.

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 equity in pooled cash, cash equivalents, and investments. The monies are either maintained in a central bank account or used to purchase legal investments.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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 2010 amounted to \$1,301, which includes the General Fund's allocation as well as the allocations of all funds not specified in the Board's resolution. Interest revenue was also reported in the non-major governmental funds and private purpose trust funds in the amounts of \$539, and \$16,268.

G. Estimates

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

H. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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. Transfers within governmental activities are eliminated on the statement of activities. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statements.

J. Compensated Absences

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

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

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that has matured (i.e. payable for payment during the current year for employees who have applied for severance payment during the fiscal year, but have not received payment at year-end). These amounts are recorded in the account "matured compensated absences" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported in the governmental fund statements.

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences 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 based on retirement or resignation of staff.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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, 2010 the School District had no net assets restricted by enabling legislation.

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

M. Reservations of Fund Balance

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

N. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, grantors, laws of other governments or imposed by enabling legislation.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2010, the School District has implemented GASB Statements No. 51, *Accounting and Financial Reporting for Intangible Assets*, and No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

GASB Statement No. 51 establishes consistent standards for the reporting of intangible assets such as easements, water rights, patents, trademarks and computer software as capital assets.

GASB Statement No. 53 establishes consistent standards for the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments, including interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts and future contracts.

The implementation of these standards did not have an effect on the School District's financial statements for fiscal year 2010.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 4 – ACCOUNTABILITY AND COMPLIANCE

At June 30, 2010 the General Fund and Title II-A Grant fund had deficit fund balances of \$1,374,146 and \$814, respectively. The deficit in the General Fund as well as the other non-major funds resulted from the accrual of various liabilities. Management expects having necessary resources available when the obligations become due in the subsequent fiscal year. The general fund is liable for any deficit in any other fund and provides operating transfers or advances when cash is required, not when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Proceeds and repayment of short-term notes are reported as revenue and disbursements (budget basis) rather than through liability accounts (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	\$ 1,569,606
Revenue Accruals	(614,386)
Expenditure Accruals	(2,095,107)
Encumbrances	(283,816)
Proceeds of Short-Term Debt	<u>2,000,000</u>
Budget Basis	<u>\$ 576,297</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 6 – CASH AND CASH EQUIVALENTS

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

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

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

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

Cash on Hand

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

Deposits

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

At year end, the carrying amount of the School District’s deposits was \$2,503,152 and the bank balance was \$2,299,439, excluding deposits held by outside fiscal agent. Of the bank balance, \$260,350 was covered by federal depository insurance and the remaining \$2,039,089 was not exposed to custodial risk because it was secured by collateral pools of U.S. government and municipal securities established by each respective financial institution for the purpose of pledging a pool of collateral against all public deposits held, as permitted by Ohio law.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2010, consisted of current and delinquent property taxes, intergovernmental grants and accounts (rent and student fees). 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.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 8 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State Law at 35 percent of appraised market value. All property is required to be reevaluated every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the prior year. For 2010, the tangible personal property rate was eliminated. 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.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2010, and tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District due to the phasing out of the tax. In calendar years through 2010, the School District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Bellbrook-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, 2010 was \$70.55 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2010 taxes were collected are as follows:

	<u>2010 First Half Collections</u>	<u>2009 Second Half Collections</u>
Agricultural/residential And other real estate	\$ 508,747,040	\$ 507,314,910
Public utility personal	12,593,580	12,649,220
General personal property	<u>498,580</u>	<u>3,704,508</u>
Total	<u>\$ 521,839,200</u>	<u>\$ 523,668,638</u>

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2010. 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, 2010 was recognized as revenue.

The amount available as an advance at June 30 was \$824,979 in the General Fund, \$154,703 in the Debt Service Fund and \$37,471 in the Permanent Improvement Capital Projects Fund. These amounts have been recorded as a reserve of fund balance.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<i><u>Capital Assets, not being depreciated</u></i>				
Land	\$ 3,432,055	\$ -	\$ -	\$ 3,432,055
Total Non-depreciable Capital Assets	<u>3,432,055</u>	<u>-</u>	<u>-</u>	<u>3,432,055</u>
<i><u>Capital Assets, being depreciated</u></i>				
Land Improvements	5,707,616	-	-	5,707,616
Buildings and Improvements	58,903,679	-	-	58,903,679
Furniture and Equipment	1,501,644	66,592	-	1,568,236
Vehicles	3,101,910	150,612	(523,338)	2,729,184
	<u>69,214,849</u>	<u>217,204</u>	<u>(523,338)</u>	<u>68,908,715</u>
<i><u>Less: Accumulated Depreciation</u></i>				
Land Improvements	(1,102,391)	(234,979)	-	(1,337,370)
Buildings and Improvements	(11,631,731)	(1,747,504)	-	(13,379,235)
Furniture and Equipment	(950,577)	(86,138)	-	(1,036,715)
Vehicles	(2,218,328)	(202,609)	523,338	(1,897,599)
	<u>(15,903,027)</u>	<u>(2,271,230) *</u>	<u>523,338</u>	<u>(17,650,919)</u>
Depreciable Capital Assets, Net	<u>53,311,822</u>	<u>(2,054,026)</u>	<u>-</u>	<u>51,257,796</u>
Total Capital Assets, Net	<u>\$ 56,743,877</u>	<u>\$ (2,054,026)</u>	<u>\$ -</u>	<u>\$ 54,689,851</u>

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

Instruction:	
Regular	\$ 60,049
Special	1,392
Support Services:	
Administration	2,386
Business	97,332
Operation and maintenance of plant	1,112
Pupil transportation	128,381
Central	7,890
Operation of non-instructional services	10,418
Extracurricular activities	156,016
Unallocated depreciation	<u>1,806,254</u>
Total Depreciation Expense	<u>\$ 2,271,230</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.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts-of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2010 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 Treasurer is 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 (EPC). The cooperative contracts with Hunter, Inc. to provide administrative and TPA services for the EPC sponsored workers compensation group rating pool. The intent of the pool is to achieve the benefit of a reduced premium for the School District by pooling its claim experience with other districts with similar loss ratios. 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. Hunter, Inc. provides administrative, cost control and actuarial services to the EPC.

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 Delta Dental 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 Sun Life.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Employers/Audit Resources. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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 Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four funds (Pension Trust, Death Benefit, Medicare B, and Health Care) of the system. For fiscal year 2010 the allocation to Pension and Death Benefits was 12.78 percent. The remaining 1.22 percent of the 14 percent employer contribution rate was allocated to the Health Care and Medicare B Funds. The School District's required contributions to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$425,520, \$441,624 and \$440,172 respectively, equal to the required contributions for each year.

B. State Teachers Retirement System

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

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

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

For the fiscal years ended June 30, 2010, 2009 and 2008 plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion allocated 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 to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$1,546,836, \$1,623,648, and \$1,549,608, respectively, equal to required contributions for each year.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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, 2010, three members of the Board of Education have elected social security. The School District's liability is 6.2 percent of wages paid.

NOTE 12 – POSTEMPLOYMENT BENEFITS

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

A. State Teachers Retirement System

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

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2010, 2009 and 2008. The 14 percent employer contribution rate is the maximum rate established under Ohio law.

The amount of the School District's contributions to STRS allocated to post-employment health care for the years ended June 30, 2010, 2009 and 2008 were \$110,488, \$115,975, and \$110,685, respectively; 100 percent has been contributed for all years.

B. School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System (SERS) administers two postemployment benefit plans, Medicare Part B and Health Care Plans. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which may be obtained using the contact information noted in the preceding disclosure.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Medicare Part B Plan: The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40; SERS reimbursement to retirees was \$45.50.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2010, 2009 and 2008, the actuarially required allocations were 0.76, 0.75 and 0.66 percent of covered payroll, respectively. The School District's contribution for Medicare Part B for the fiscal years ended June 30, 2010, 2009 and 2008 were \$23,100, \$20,819 and \$21,380, respectively; 100 percent has been contributed for all years.

Health Care Plan: Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions.

Active members do not make contributions to the postemployment benefit plans. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2010, 2009 and 2008, the health care allocations were 0.46, 4.16 and 4.18 percent, respectively. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credits earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The amount of the School District's contributions to SERS allocated to the Health Care Plan for the years ended June 30, 2010, 2009, and 2008 were \$58,630, \$179,030, and \$152,302, respectively; 100 percent has been contributed for all years.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 13 – OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation

District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation leave for the District as a whole amounted to \$52,838 at June 30, 2010.

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 at June 30, 2010 was \$1,464,877.

NOTE 14 - LONG-TERM OBLIGATIONS

Activity of the School District's long-term obligations at June 30, 2010 was as follows:

	<u>Balance</u> <u>6/30/2009</u>	<u>Increases</u>	<u>Decrease</u>	<u>Balance</u> <u>6/30/2010</u>	<u>Due within</u> <u>One Year</u>
General Obligation Bonds:					
2003 Multi-Purpose Bonds:					
Current Interest 2%-5.25%	\$ 8,655,000	\$ -	\$ (1,975,000)	\$ 6,680,000	\$ 855,000
Capital Appreciation 4.13%-4.23%	922,862	62,623	-	985,485	-
2006 Refunding Bonds:					
Current Interest 3.75%-4.50%	34,110,000	-	(65,000)	34,045,000	280,000
Capital Appreciation 4.03%-4.12%	429,158	118,824	-	547,982	-
Deferred Amounts:					
Add: Bond Premium	2,109,519	-	(105,773)	2,003,746	-
Less: Deferred Refunding Amount	(1,208,199)	-	75,039	(1,133,160)	-
Total General Obligation Bonds	45,018,340	181,447	(2,070,734)	43,129,053	1,135,000
Compensated Absences	1,377,595	115,581	(137,760)	1,355,416	176,669
Capital Lease Obligation	5,146,754	-	(435,884)	4,710,870	414,194
Total Long-Term Obligations	<u>\$ 51,542,689</u>	<u>\$ 297,028</u>	<u>\$ (2,644,378)</u>	<u>\$ 49,195,339</u>	<u>\$ 1,725,863</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

General Obligation Bonds

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

- \$34,625,000 of general obligation bonds issued in 2006 to provide resources to advance refund \$34,625,000 of current interest, general obligation bonds issued in 2003. These bonds include current interest and capital appreciation bonds. The capital appreciation bonds will mature in fiscal year 2019, 2020 and 2021. The maturity amount of the capital appreciation bonds is \$4.33 million. For fiscal year 2010, \$118,824 was accreted for a total bond value of \$547,982.
- 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 2010, \$62,623 was accreted for a total bond value of \$985,485.

Principal and interest requirements to retire the District's long-term general obligation bonds outstanding at June 30, 2010 are as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,135,000	\$ 1,726,622	\$ 2,861,622
2012	1,260,000	1,679,904	2,939,904
2013	1,315,621	1,726,648	3,042,269
2014	1,399,864	1,729,688	3,129,552
2015	1,650,000	1,547,619	3,197,619
2016-20	3,652,982	10,741,959	14,394,941
2021-25	9,725,000	5,821,562	15,546,562
2026-30	14,600,000	3,226,407	17,826,407
2031-32	<u>7,520,000</u>	<u>325,337</u>	<u>7,845,337</u>
Total	<u>\$ 42,258,467</u>	<u>\$ 28,525,746</u>	<u>\$ 70,784,213</u>

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.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Debt Limitations

The School District's voted legal debt margin, as determined under Ohio Revised Code Section was approximately \$5.6 million and the unvoted debt margin was \$521,839 at June 30, 2010.

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

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

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2010.

Fiscal Year Ending June 30,	
2011	\$ 620,648
2012	608,328
2013	332,414
2014	331,133
2015	332,511
2016-20	1,653,847
2021-25	1,552,012
2026-30	896,492
2031-35	477,953
2036-38	<u>191,404</u>
Total Minimum Lease Payments	6,996,742
Less: Amount Representing Interest	<u>(2,285,872)</u>
Present Value of Minimum Lease Payments	<u>\$ 4,710,870</u>

The capital assets acquired by lease agreements have been capitalized in the statement of net assets for governmental activities in the amount of \$6,528,253 (\$1,758,180 of buildings and improvements, \$3,336,459 of land improvements, \$657,000 of vehicles and \$776,614 of equipment), which is equal to the present value of the minimum lease payments at the time of acquisition. The corresponding liability is split between long-term liabilities due within a year and long-term liabilities due within more than one year on the statement of net assets for governmental activities. Principal payments in fiscal year 2010 totaled \$435,884.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 16 – SHORT-TERM OBLIGATIONS

During fiscal year 2010, the School District issued \$2.0 million of Tax Anticipation Notes (TAN) for cash flow purposes. The TAN was issued on December 1, 2009 and matured on March 3, 2010. The TAN carried an interest rate of 1.50 percent per annum. The School District's short-term debt obligations activity for fiscal year 2010 was as follows:

	Balance 6/30/2009	Increases	Decrease	Balance 6/30/2010
Tax Anticipation Notes:				
2010 TAN 1.50%	\$ -	\$ 2,000,000	\$ (2,000,000)	\$ -
Total Short-Term Obligations	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ (2,000,000)</u>	<u>\$ -</u>

NOTE 17 - INTERFUND ACTIVITY

During fiscal year 2010, the School District transferred \$38,800 from the General Fund to the Permanent Improvement Fund. This transfer was made to move the monies donated to the School District for the renovations to the athletic stadium, which had been collected in the General Fund, to the Permanent Improvement Fund in which the expenditures related to the renovations were recorded.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

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

The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and both Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. The School District paid MVECA \$72,878 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.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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 Bellbrook-Sugarcreek Local School District and funding college scholarships for graduates of the Bellbrook-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 Greene County Community Foundation maintains all assets of the Foundation in trust and the Board of Trustees must approve any disbursement of funds.

NOTE 19 - CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2010.

Litigation

The School District is not currently party to litigation.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

Greene County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

NOTE 20 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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

	<u>Textbooks</u>	<u>Capital Spending</u>	<u>Totals</u>
Set-aside Reserve Balance as of June 30, 2009	\$ (2,562,123)	\$(37,955,273)	\$(40,517,396)
Current Year Set-aside Requirement	422,895	422,895	845,790
Qualifying Disbursements	<u>(591,057)</u>	<u>(387,784)</u>	<u>(978,841)</u>
Total	<u>\$ (2,730,285)</u>	<u>\$(37,920,162)</u>	<u>\$(40,650,447)</u>
Balance Carried Forward to FY 2011	<u>\$ (2,730,285)</u>	<u>\$(37,920,162)</u>	

The School District had qualifying disbursements during the year that reduced the set-aside below zero for capital acquisition. The carryover amount in Capital Spending is limited to the balance of the offsets attributed to bond or tax levy proceeds.

Major Governmental Funds

The focus of the fund financial statements presented in the basic financial statements is on the School District's 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.

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 3,640,212	\$ 2,485,940	\$ 2,970,270	\$ 484,330
Intergovernmental	-	-	388,461	388,461
Total Revenues	<u>3,640,212</u>	<u>2,485,940</u>	<u>3,358,731</u>	<u>872,791</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	37,750	37,750	45,606	(7,856)
Debt Service:				
Principal Retirement	2,040,000	2,040,000	2,040,000	-
Interest and Fiscal Charges	<u>1,786,916</u>	<u>1,844,350</u>	<u>1,786,917</u>	<u>57,433</u>
Total Expenditures	<u>3,864,666</u>	<u>3,922,100</u>	<u>3,872,523</u>	<u>49,577</u>
Net Change in Fund Balance	(224,454)	(1,436,160)	(513,792)	922,368
Fund Balance at Beginning of Year	<u>1,436,160</u>	<u>1,436,160</u>	<u>1,436,160</u>	-
Fund Balance at End of Year	<u>\$ 1,211,706</u>	<u>\$ -</u>	<u>\$ 922,368</u>	<u>\$ 922,368</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 685,983	\$ 645,000	\$ 649,137	\$ 4,137
Intergovernmental	131,710	83,000	82,838	(162)
Gifts and Donations	172,164	60,000	57,389	(2,611)
Total Revenues	<u>989,857</u>	<u>788,000</u>	<u>789,364</u>	<u>1,364</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,000	15,000	399	14,601
Support Services:				
Instructional Staff	66,773	66,773	59,181	7,592
Fiscal	7,700	7,700	10,058	(2,358)
Plant Operation and Maintenance	58,829	58,829	18,649	40,180
Pupil Transportation	-	-	180,000	(180,000)
Extracurricular Activities	20,000	20,000	17,415	2,585
Capital Outlay	621,540	845,527	715,123	130,404
Total Expenditures	<u>789,842</u>	<u>1,013,829</u>	<u>1,000,825</u>	<u>13,004</u>
Excess of Revenues Over (Under)				
Expenditures	200,015	(225,829)	(211,461)	14,368
Other Financing Sources (Uses):				
Transfers-In	48,000	48,000	38,800	(9,200)
Total Other Financing Sources (Uses)	<u>48,000</u>	<u>48,000</u>	<u>38,800</u>	<u>(9,200)</u>
Net Change in Fund Balance	248,015	(177,829)	(172,661)	5,168
Fund Balance at Beginning of Year	191,753	191,753	191,753	-
Prior Year Encumbrances Appropriated	<u>1,829</u>	<u>1,829</u>	<u>1,829</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 441,597</u>	<u>\$ 15,753</u>	<u>\$ 20,921</u>	<u>\$ 5,168</u>

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Public School Support

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

Foundation Grants

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

District Managed Student Activities

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

Management Information Systems

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

Data Communications

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

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.

SFSF Grant

To account for monies received from Ohio Department of Education under the State Fiscal Stabilization Funds grant federal stimulus grant.

Title II-D Grant

To account for monies received under a federal grant to assist schools in the acquisition of necessary equipment and training of support staff to increase technology utilization in education.

Title I Grant

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

Drug Free Schools Grant

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

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (Continued)

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 II-A Grant

To account for monies received under a federal grant to help improve the quality of educational services delivered to students by district teachers.

Food Service Program

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

Nonmajor Capital Project Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, including equipment purchases.

Building Fund

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

Capital Projects Foundation

To account for monies donated which are restricted for use in acquiring or constructing capital projects for use by the School District.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Non-Major Special Revenue Funds</u>	<u>Non-Major Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 397,454	\$ 16,374	\$ 413,828
Cash and Cash Equivalents with Fiscal Agent	-	11,054	11,054
Intergovernmental Receivable	<u>3,569</u>	<u>-</u>	<u>3,569</u>
Total Assets	<u>\$ 401,023</u>	<u>\$ 27,428</u>	<u>\$ 428,451</u>
<u>Liabilities and Fund Balance:</u>			
Liabilities:			
Accounts Payable	\$ 10,034	\$ -	\$ 10,034
Deferred Revenue	<u>3,569</u>	<u>-</u>	<u>3,569</u>
Total Liabilities	<u>13,603</u>	<u>-</u>	<u>13,603</u>
Fund Balance:			
Reserved for Encumbrances	100,023	2,500	102,523
Unreserved, Undesignated	<u>287,397</u>	<u>24,928</u>	<u>312,325</u>
Total Fund Balance	<u>387,420</u>	<u>27,428</u>	<u>414,848</u>
Total Liabilities and Fund Balance	<u>\$ 401,023</u>	<u>\$ 27,428</u>	<u>\$ 428,451</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Public School Support	Foundation Grants	District Managed Student Activities	Management Information Systems
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 95,225	\$ 300	\$ 207,924	\$ -
Intergovernmental Receivable	-	-	-	-
Total Assets	<u>\$ 95,225</u>	<u>\$ 300</u>	<u>\$ 207,924</u>	<u>\$ -</u>
<u>Liabilities and Fund Balance:</u>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	2,574	-	89,406	-
Unreserved, Undesignated	<u>92,651</u>	<u>300</u>	<u>118,518</u>	<u>-</u>
Total Fund Balance	<u>95,225</u>	<u>300</u>	<u>207,924</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 95,225</u>	<u>\$ 300</u>	<u>\$ 207,924</u>	<u>\$ -</u>

<u>Data Communications</u>	<u>Title VI-B Grant</u>	<u>SFSF Grant</u>	<u>Title II-D Grant</u>	<u>Title I Grant</u>	<u>Drug Free Schools Grant</u>	<u>Preschool Grant</u>
\$ 2,863	\$ 29,015	\$ -	\$ -	\$ 46,232	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,569</u>	<u>-</u>	<u>-</u>
<u>\$ 2,863</u>	<u>\$ 29,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,801</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,569</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,569</u>	<u>-</u>	<u>-</u>
-	8,043	-	-	-	-	-
<u>2,863</u>	<u>20,972</u>	<u>-</u>	<u>-</u>	<u>46,232</u>	<u>-</u>	<u>-</u>
<u>2,863</u>	<u>29,015</u>	<u>-</u>	<u>-</u>	<u>46,232</u>	<u>-</u>	<u>-</u>
<u>\$ 2,863</u>	<u>\$ 29,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,801</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010
(Continued)

	Title II-A Grant	Food Service	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 870	\$ 15,025	\$ 397,454
Intergovernmental Receivable	-	-	3,569
Total Assets	\$ 870	\$ 15,025	\$ 401,023
<u>Liabilities and Fund Balance:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 1,684	\$ 8,350	\$ 10,034
Deferred Revenue	-	-	3,569
Total Liabilities	1,684	8,350	13,603
<u>Fund Balance:</u>			
Reserved for Encumbrances	-	-	100,023
Unreserved, Undesignated	(814)	6,675	287,397
Total Fund Balance	(814)	6,675	387,420
Total Liabilities and Fund Balance	\$ 870	\$ 15,025	\$ 401,023

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	Building Fund	Capital Projects Foundation	Total
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 16,372	\$ 2	\$ 16,374
Cash and Cash Equivalents with Fiscal Agent	-	11,054	11,054
Total Assets	\$ 16,372	\$ 11,056	\$ 27,428
<u>Liabilities and Fund Balance:</u>			
Total Liabilities	-	-	-
<u>Fund Balance:</u>			
Reserved for Encumbrances	2,500	-	2,500
Unreserved, Undesignated	13,872	11,056	24,928
Total Fund Balance	16,372	11,056	27,428
Total Liabilities and Fund Balance	\$ 16,372	\$ 11,056	\$ 27,428

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**BELLBROOK-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, 2010

	<u>Non-Major Special Revenue Funds</u>	<u>Non-Major Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Intergovernmental	\$ 1,812,669	\$ -	\$ 1,812,669
Student Sales	545,245	-	545,245
Interest	17	522	539
Tuition and Fees	86,906	-	86,906
Extracurricular Activities	426,634	-	426,634
Gifts and Donations	22,280	6,600	28,880
Rental	2,281	-	2,281
Miscellaneous	<u>99,192</u>	<u>-</u>	<u>99,192</u>
Total Revenues	<u>2,995,224</u>	<u>7,122</u>	<u>3,002,346</u>
Expenditures:			
Current:			
Instruction:			
Regular	163,544	-	163,544
Special	666,693	-	666,693
Support Services:			
Pupils	431,145	-	431,145
Instructional Staff	272,853	-	272,853
Administration	25,161	-	25,161
Plant Operation and Maintenance	43,598	-	43,598
Non-Instructional Services	680,160	-	680,160
Extracurricular Activities	578,778	-	578,778
Capital Outlay	<u>-</u>	<u>34,021</u>	<u>34,021</u>
Total Expenditures	<u>2,861,932</u>	<u>34,021</u>	<u>2,895,953</u>
Net Change in Fund Balances	133,292	(26,899)	106,393
Fund Balance at Beginning of Year	<u>254,128</u>	<u>54,327</u>	<u>308,455</u>
Fund Balance at End of Year	<u>\$ 387,420</u>	<u>\$ 27,428</u>	<u>\$ 414,848</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Public School Support</u>	<u>Foundation Grants</u>	<u>District Managed Student Activities</u>	<u>Management Information Systems</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 31,992	\$ 7,676
Student Sales	2,061	-	3,305	-
Interest	-	-	-	-
Tuition and Fees	-	-	86,906	-
Extracurricular Activities	63,893	-	362,741	-
Gifts and Donations	8,153	-	14,127	-
Rental	-	-	2,281	-
Miscellaneous	<u>93,326</u>	<u>-</u>	<u>5,866</u>	<u>-</u>
Total Revenues	<u>167,433</u>	<u>-</u>	<u>507,218</u>	<u>7,676</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Support Services:				
Pupils	27,944	-	-	7,676
Instructional Staff	33,344	-	-	-
Administration	-	-	-	-
Plant Operation and Maintenance	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	<u>89,738</u>	<u>-</u>	<u>489,040</u>	<u>-</u>
Total Expenditures	<u>151,026</u>	<u>-</u>	<u>489,040</u>	<u>7,676</u>
Net Change in Fund Balances	16,407	-	18,178	-
Fund Balance at Beginning of Year	<u>78,818</u>	<u>300</u>	<u>189,746</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 95,225</u>	<u>\$ 300</u>	<u>\$ 207,924</u>	<u>\$ -</u>

<u>Data Communications</u>	<u>Title VI-B Grant</u>	<u>SFSF Grant</u>	<u>Title II-D Grant</u>	<u>Title I Grant</u>	<u>Drug Free Schools Grant</u>	<u>Preschool Grant</u>
\$ 11,432	\$ 907,104	\$ 359,012	\$ 1,640	\$ 233,121	\$ 5,787	\$ 34,654
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,432</u>	<u>907,104</u>	<u>359,012</u>	<u>1,640</u>	<u>233,121</u>	<u>5,787</u>	<u>34,654</u>
-	-	129,650	1,240	-	-	32,654
-	482,564	-	-	184,129	-	-
-	395,525	-	-	-	-	-
14,237	-	160,603	400	2,760	5,787	2,000
-	-	25,161	-	-	-	-
-	-	43,598	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,237</u>	<u>878,089</u>	<u>359,012</u>	<u>1,640</u>	<u>186,889</u>	<u>5,787</u>	<u>34,654</u>
(2,805)	29,015	-	-	46,232	-	-
<u>5,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,863</u>	<u>\$ 29,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,232</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

	Title II-A Grant	Food Service	Total
Revenues:			
Intergovernmental	\$ 53,072	\$ 167,179	\$ 1,812,669
Student Sales	-	539,879	545,245
Interest	-	17	17
Tuition and Fees	-	-	86,906
Extracurricular Activities	-	-	426,634
Gifts and Donations	-	-	22,280
Rental	-	-	2,281
Miscellaneous	-	-	99,192
	<u>53,072</u>	<u>707,075</u>	<u>2,995,224</u>
Total Revenues			
Expenditures:			
Current:			
Instruction:			
Regular	-	-	163,544
Special	-	-	666,693
Support Services:			
Pupils	-	-	431,145
Instructional Staff	53,722	-	272,853
Administration	-	-	25,161
Plant Operation and Maintenance	-	-	43,598
Non-Instructional Services	-	680,160	680,160
Extracurricular Activities	-	-	578,778
	<u>53,722</u>	<u>680,160</u>	<u>2,861,932</u>
Total Expenditures			
Net Change in Fund Balances	(650)	26,915	133,292
Fund Balance at Beginning of Year	<u>(164)</u>	<u>(20,240)</u>	<u>254,128</u>
Fund Balance at End of Year	<u>\$ (814)</u>	<u>\$ 6,675</u>	<u>\$ 387,420</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Building Fund	Capital Projects Foundation	Total
Revenues:			
Interest	\$ 2	\$ 520	\$ 522
Gifts and Donations	-	6,600	6,600
Total Revenues	2	7,120	7,122
Expenditures:			
Capital Outlay	34,021	-	34,021
Total Expenditures	34,021	-	34,021
Net Change in Fund Balances	(34,019)	7,120	(26,899)
Fund Balance at Beginning of Year	50,391	3,936	54,327
Fund Balance at End of Year	\$ 16,372	\$ 11,056	\$ 27,428

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Student Sales	\$ 2,700	\$ 2,700	\$ 2,061	\$ (639)
Extracurricular Activities	67,500	67,500	63,893	(3,607)
Gifts and Donations	3,500	3,500	8,153	4,653
Miscellaneous	<u>93,000</u>	<u>93,000</u>	<u>93,277</u>	<u>277</u>
 Total Revenues	 <u>166,700</u>	 <u>166,700</u>	 <u>167,384</u>	 <u>684</u>
 Expenditures:				
Current:				
Support Services:				
Pupils	24,100	24,100	27,944	(3,844)
Instructional Staff	40,409	40,409	33,703	6,706
Extracurricular Activities	<u>107,156</u>	<u>107,156</u>	<u>91,953</u>	<u>15,203</u>
 Total Expenditures	 <u>171,665</u>	 <u>171,665</u>	 <u>153,600</u>	 <u>18,065</u>
 Excess of Revenues Over(Under) Expenditures	 (4,965)	 (4,965)	 13,784	 18,749
 Other Financing Sources:				
Refund of Prior Year Expenditures	<u>-</u>	<u>-</u>	<u>49</u>	<u>49</u>
 Total Other Financing Sources	 <u>-</u>	 <u>-</u>	 <u>49</u>	 <u>49</u>
 Net Change in Fund Balance	 (4,965)	 (4,965)	 13,833	 18,798
 Fund Balance at Beginning of Year	 70,354	 70,354	 70,354	 -
Prior Year Encumbrances Appropriated	<u>8,465</u>	<u>8,465</u>	<u>8,465</u>	<u>-</u>
 Fund Balance at End of Year	 <u>\$ 73,854</u>	 <u>\$ 73,854</u>	 <u>\$ 92,652</u>	 <u>\$ 18,798</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOUNDATION GRANTS - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 31,992	\$ 31,992
Student Sales	-	-	3,305	3,305
Tuition and Fees	-	-	86,906	86,906
Extracurricular Activities	500,000	500,000	362,741	(137,259)
Gifts and Donations	-	-	14,127	14,127
Rental	-	-	2,281	2,281
Miscellaneous	-	-	5,241	5,241
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>506,593</u>	<u>6,593</u>
Expenditures:				
Current:				
Extracurricular Activities	<u>583,455</u>	<u>689,741</u>	<u>578,456</u>	<u>111,285</u>
Total Expenditures	<u>583,455</u>	<u>689,741</u>	<u>578,456</u>	<u>111,285</u>
Excess of Revenues Over(Under) Expenditures	(83,455)	(189,741)	(71,863)	117,878
Other Financing Sources:				
Refund of Prior Year Expenditures	<u>-</u>	<u>-</u>	<u>625</u>	<u>625</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>625</u>	<u>625</u>
Net Change in Fund Balance	(83,455)	(189,741)	(71,238)	118,503
Fund Balance at Beginning of Year	106,286	106,286	106,286	-
Prior Year Encumbrances Appropriated	<u>83,455</u>	<u>83,455</u>	<u>83,455</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 106,286</u>	<u>\$ -</u>	<u>\$ 118,503</u>	<u>\$ 118,503</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 7,500	\$ 5,000	\$ 5,000	\$ -
Total Revenues	<u>7,500</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	<u>7,500</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>7,500</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 10,000	\$ 11,432	\$ 1,432
Total Revenues	<u>-</u>	<u>10,000</u>	<u>11,432</u>	<u>1,432</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>-</u>	<u>15,667</u>	<u>14,236</u>	<u>1,431</u>
Total Expenditures	<u>-</u>	<u>15,667</u>	<u>14,236</u>	<u>1,431</u>
Net Change in Fund Balance	-	(5,667)	(2,804)	2,863
Fund Balance at Beginning of Year	<u>5,667</u>	<u>5,667</u>	<u>5,667</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,667</u>	<u>\$ -</u>	<u>\$ 2,863</u>	<u>\$ 2,863</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 979,952	\$ 907,104	\$ 907,104	\$ -
Total Revenues	<u>979,952</u>	<u>907,104</u>	<u>907,104</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	592,520	519,672	490,606	29,066
Support Services:				
Pupils	<u>387,432</u>	<u>387,432</u>	<u>395,526</u>	<u>(8,094)</u>
Total Expenditures	<u>979,952</u>	<u>907,104</u>	<u>886,132</u>	<u>20,972</u>
Net Change in Fund Balance	-	-	20,972	20,972
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>\$ 20,972</u>	<u>\$ 20,972</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SFSF GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 181,520	\$ 359,012	\$ 359,012	\$ -
Total Revenues	<u>181,520</u>	<u>359,012</u>	<u>359,012</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	78,725	155,704	129,650	26,054
Support Services:				
Instructional Staff	79,732	157,695	160,602	(2,907)
Administration	12,046	23,825	25,161	(1,336)
Plant Operation and Maintenance	<u>11,017</u>	<u>21,788</u>	<u>43,599</u>	<u>(21,811)</u>
Total Expenditures	<u>181,520</u>	<u>359,012</u>	<u>359,012</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE II-D GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,645	\$ 1,640	\$ 1,640	\$ -
Total Revenues	<u>1,645</u>	<u>1,640</u>	<u>1,640</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,245	1,240	1,240	-
Support Services:				
Instructional Staff	<u>400</u>	<u>400</u>	<u>400</u>	<u>-</u>
Total Expenditures	<u>1,645</u>	<u>1,640</u>	<u>1,640</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BELLBROOK-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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 291,151	\$ 290,588	\$ 233,121	\$ (57,467)
 Total Revenues	<u>291,151</u>	<u>290,588</u>	<u>233,121</u>	<u>(57,467)</u>
 Expenditures:				
Current:				
Instruction:				
Special	281,714	281,151	184,129	97,022
Support Services:				
Instructional Staff	<u>9,437</u>	<u>9,437</u>	<u>2,760</u>	<u>6,677</u>
 Total Expenditures	<u>291,151</u>	<u>290,588</u>	<u>186,889</u>	<u>103,699</u>
 Net Change in Fund Balance	-	-	46,232	46,232
 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>\$ 46,232</u>	<u>\$ 46,232</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DRUG FREE SCHOOLS GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,787	\$ 5,787	\$ 5,787	\$ -
Total Revenues	<u>5,787</u>	<u>5,787</u>	<u>5,787</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>5,787</u>	<u>5,787</u>	<u>5,787</u>	<u>-</u>
Total Expenditures	<u>5,787</u>	<u>5,787</u>	<u>5,787</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 34,654	\$ 34,654	\$ 34,654	\$ -
Total Revenues	<u>34,654</u>	<u>34,654</u>	<u>34,654</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	32,654	32,654	32,654	-
Support Services:				
Instructional Staff	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Expenditures	<u>34,654</u>	<u>34,654</u>	<u>34,654</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE II-A GRANT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 53,376	\$ 55,922	\$ 53,072	\$ (2,850)
Total Revenues	<u>53,376</u>	<u>55,922</u>	<u>53,072</u>	<u>(2,850)</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>54,026</u>	<u>56,572</u>	<u>53,722</u>	<u>2,850</u>
Total Expenditures	<u>54,026</u>	<u>56,572</u>	<u>53,722</u>	<u>2,850</u>
Net Change in Fund Balance	(650)	(650)	(650)	-
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>650</u>	<u>650</u>	<u>650</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 123,500	\$ 185,366	\$ 167,179	\$ (18,187)
Student Sales	545,500	545,500	539,879	(5,621)
Interest	<u>100</u>	<u>100</u>	<u>17</u>	<u>(83)</u>
 Total Revenues	 <u>669,100</u>	 <u>730,966</u>	 <u>707,075</u>	 <u>(23,891)</u>
 Expenditures:				
Current:				
Non-Instructional Services	<u>669,100</u>	<u>741,000</u>	<u>702,085</u>	<u>38,915</u>
 Total Expenditures	 <u>669,100</u>	 <u>741,000</u>	 <u>702,085</u>	 <u>38,915</u>
 Net Change in Fund Balance	 -	 (10,034)	 4,990	 15,024
 Fund Balance at Beginning of Year	 <u>10,034</u>	 <u>10,034</u>	 <u>10,034</u>	 <u>-</u>
 Fund Balance at End of Year	 <u>\$ 10,034</u>	 <u>\$ -</u>	 <u>\$ 15,024</u>	 <u>\$ 15,024</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ -	\$ -	\$ 2	\$ 2
Miscellaneous	-	23,611	-	(23,611)
Total Revenues	-	23,611	2	(23,609)
Expenditures:				
Capital Outlay	97,005	120,616	83,137	37,479
Total Expenditures	97,005	120,616	83,137	37,479
Net Change in Fund Balance	(97,005)	(97,005)	(83,135)	13,870
Fund Balance at Beginning of Year	66,389	66,389	66,389	-
Prior Year Encumbrances Appropriated	30,616	30,616	30,616	-
Fund Balance at End of Year	\$ -	\$ -	\$ 13,870	\$ 13,870

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FOUNDATION - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ -	\$ -	\$ 520	\$ 520
Gifts and Donations	<u>500</u>	<u>500</u>	<u>6,600</u>	<u>6,100</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>7,120</u>	<u>6,620</u>
Expenditures:				
Capital Outlay	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net Change in Fund Balance	(3,500)	(3,500)	7,120	10,620
Fund Balance at Beginning of Year	<u>3,935</u>	<u>3,935</u>	<u>3,935</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 435</u>	<u>\$ 435</u>	<u>\$ 11,055</u>	<u>\$ 10,620</u>

Fiduciary Funds

Private-Purpose Trust Funds

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

Scholarship Trust Fund

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

Memorial Scholarship Trust Fund

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

Agency Funds

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

Student Managed Activities Fund

To account for the resources belonging to the various student groups in the District. The fund accounts for sales and other revenue generating activities by student activity programs that have students involved in the management of the program. Since this is the only agency fund at the School District, no individual fund information is presented.

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

COMBINING STATEMENT OF NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2010

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 136	\$ 1	\$ 137
Cash and Cash Equivalents:			
With Fiscal Agent	11,858	237,634	249,492
Total Assets	11,994	237,635	249,629
Net Assets:			
Held in trust for scholarships	11,994	237,635	249,629
Total Net Assets	\$ 11,994	\$ 237,635	\$ 249,629

**BELLBROOK-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, 2010

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total
Additions:			
Gifts and Donations	\$ 3,775	\$ 28,638	\$ 32,413
Investment Earnings	<u>(86)</u>	<u>16,354</u>	<u>16,268</u>
Total Additions	3,689	44,992	48,681
Deductions:			
Payments in accordance with trust agreements	<u>2,500</u>	<u>11,500</u>	<u>14,000</u>
Total Deductions	<u>2,500</u>	<u>11,500</u>	<u>14,000</u>
Change in Net Assets	1,189	33,492	34,681
Net Assets Beginning of Year	<u>10,805</u>	<u>204,143</u>	<u>214,948</u>
Net Assets End of Year	<u>\$ 11,994</u>	<u>\$ 237,635</u>	<u>\$ 249,629</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 3,900	\$ 3,900	\$ 3,775	\$ (125)
Interest	-	-	(86)	(86)
Total Revenues	<u>3,900</u>	<u>3,900</u>	<u>3,689</u>	<u>(211)</u>
Expenses:				
Student Scholarships	<u>2,500</u>	<u>5,500</u>	<u>2,500</u>	<u>3,000</u>
Total Expenses	<u>2,500</u>	<u>5,500</u>	<u>2,500</u>	<u>3,000</u>
Net Change in Fund Balance	1,400	(1,600)	1,189	2,789
Fund Equity at Beginning of Year	<u>10,805</u>	<u>10,805</u>	<u>10,805</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 12,205</u>	<u>\$ 9,205</u>	<u>\$ 11,994</u>	<u>\$ 2,789</u>

BELLBROOK-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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 23,300	\$ 23,300	\$ 28,638	\$ 5,338
Interest	<u>5,473</u>	<u>23,469</u>	<u>16,354</u>	<u>(7,115)</u>
 Total Revenues	 <u>28,773</u>	 <u>46,769</u>	 <u>44,992</u>	 <u>(1,777)</u>
 Expenses:				
Student Scholarships	<u>11,500</u>	<u>31,500</u>	<u>11,500</u>	<u>20,000</u>
 Total Expenses	 <u>11,500</u>	 <u>31,500</u>	 <u>11,500</u>	 <u>20,000</u>
 Net Change in Fund Balance	 17,273	 15,269	 33,492	 18,223
 Fund Balance at Equity of Year	 <u>204,143</u>	 <u>204,143</u>	 <u>204,143</u>	 <u>-</u>
 Fund Equity at End of Year	 <u>\$ 221,416</u>	 <u>\$ 219,412</u>	 <u>\$ 237,635</u>	 <u>\$ 18,223</u>

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

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<u>Student Managed Activities</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 45,682	\$ 87,863	\$ 59,364	\$ 74,181
Total Assets	45,682	87,863	59,364	74,181
Liabilities:				
Due to Students	45,682	87,863	59,364	74,181
Total Liabilities	\$ 45,682	\$ 87,863	\$ 59,364	\$ 74,181

Statistical Section

INTRODUCTORY • FINANCIAL



Comprehensive
Annual
Financial
Report
for the Fiscal Year Ended
June 30, 2010

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 82 to 87.

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 88 to 91.

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 92 to 95.

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 96 and 97.

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 98 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.

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

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

	Fiscal Year							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:								
Invested in capital assets, net	\$ 7,508,394	\$ 7,055,802	\$ 7,784,164	\$ 7,237,845	\$ 7,237,984	\$ 8,517,400	\$ 7,950,873	\$ 7,225,799
of related debt	652,912	1,258,550	1,911,586	2,242,984	1,797,636	2,195,260	956,260	529,835
Restricted	(1,715,384)	(3,453,904)	(3,753,537)	(3,265,993)	(2,669,522)	(3,282,528)	(2,821,177)	(2,171,848)
Total Net Assets:	<u>\$ 6,445,922</u>	<u>\$ 4,860,448</u>	<u>\$ 5,942,213</u>	<u>\$ 6,214,836</u>	<u>\$ 6,366,098</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.

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

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

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:								
Instruction:								
Regular (a)	\$ 10,735,776	\$ 10,959,665	\$ 10,509,035	\$ 10,756,955	\$ 10,089,546	\$ 9,735,077	\$ 8,764,573	\$ 7,913,107
Special	1,840,755	1,871,414	1,720,995	1,659,281	1,501,564	1,581,687	1,566,021	1,367,311
Vocational	6,203	-	-	-	-	-	-	109
Support Services:								
Pupils	2,337,572	2,537,215	2,596,663	2,283,925	1,020,040	1,067,645	973,272	924,738
Instructional staff	1,086,129	1,004,934	1,101,632	1,056,202	2,018,935	1,962,643	1,754,463	1,879,875
Board of education	71,446	30,796	44,698	44,951	71,887	75,315	55,746	38,388
Administration	1,765,772	1,821,034	1,822,276	1,876,113	1,924,465	1,720,829	1,557,300	1,438,747
Fiscal	929,919	693,437	788,610	746,366	681,595	579,921	643,629	547,138
Business	198,549	205,231	171,399	114,306	128,818	61,469	138,070	78,893
Operation and maintenance of plant (c)	2,394,367	2,773,273	2,410,088	3,145,981	2,138,966	2,137,229	1,754,322	1,479,444
Pupil transportation	1,360,191	1,612,388	1,744,557	1,704,925	1,529,588	1,744,302	1,541,395	1,447,002
Central	48,190	90,152	107,072	79,867	92,611	85,132	122,872	149,737
Operation of non-instructional services	710,268	722,153	679,863	656,777	702,319	712,394	582,234	487,976
Extracurricular activities	1,243,134	1,306,089	1,259,976	1,361,535	1,030,830	1,020,552	1,022,039	1,019,555
Interest and fiscal charges (b)	2,147,827	2,238,311	2,134,456	2,127,635	2,422,989	2,434,193	2,088,755	457,242
Unallocated depreciation	1,806,254	1,807,669	1,717,935	1,011,352	492,431	453,581	454,454	454,658
Total Expenses	28,682,352	29,673,761	28,809,255	28,626,171	25,846,584	25,371,969	23,019,145	19,683,920
Program Revenues:								
Charges for services and sales	1,526,713	1,547,181	1,533,959	1,404,571	1,233,624	1,206,150	1,220,579	1,102,121
Operating grants and contributions (d)	1,838,518	970,729	1,939,484	901,589	837,227	820,659	678,695	459,022
Capital grants and contributions	63,989	173,325	35,542	34,829	13,072	39,304	16,071	39,467
Total Program Revenues	3,429,220	2,691,235	3,508,985	2,340,989	2,083,923	2,066,113	1,915,345	1,600,610
Net (Expenses)/Revenue	\$ (25,253,132)	\$ (26,982,526)	\$ (25,300,270)	\$ (26,285,182)	\$ (23,762,661)	\$ (23,305,856)	\$ (21,103,800)	\$ (18,083,310)

Notes:

- (1) The School District reports only governmental activities and has no component units
- (2) The School District began to report accrual information when it implemented GASB Statement No. 34 for fiscal year 2003.
- (a) The School District's emphasis on lower teacher-to-student ratios to achieve academic goals resulted in increased instructional expenses over the past five fiscal years.
- (b) Increase in interest and fiscal charges relate to the \$44 million bond issued in FY2004.
- (c) Increase in expenses due to uncapitalized expenses of opening new instructional facilities.
- (d) Additional operating grants reported for FY2010 relate to the ARRA grant funding provided to the School District through the State Department of Education.

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

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

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expenses)/Revenue	\$ (25,253,132)	\$ (26,982,526)	\$ (25,300,270)	\$ (26,285,182)	\$ (23,762,661)	\$ (23,305,856)	\$ (21,103,800)	\$ (18,083,310)
General Revenues:								
Property taxes levied for:								
General purposes (a)	14,288,437	12,962,235	12,808,966	12,997,223	11,313,180	10,397,816	9,940,215	9,220,392
Debt service (b)	2,969,111	3,259,166	3,198,962	3,357,490	3,031,772	3,176,364	2,049,398	733,627
Capital outlay	658,932	655,141	649,119	641,168	630,020	624,011	613,909	416,449
Unrestricted grants and entitlements	8,632,686	8,762,849	7,647,997	8,454,335	8,152,944	8,035,944	8,003,879	7,783,380
Investment earnings	1,840	32,924	190,099	421,024	677,010	705,577	393,815	41,603
Miscellaneous	287,600	228,446	532,504	262,680	263,359	1,710,320	209,441	194,438
Total General Revenues	<u>26,838,606</u>	<u>25,900,761</u>	<u>25,027,647</u>	<u>26,133,920</u>	<u>24,068,285</u>	<u>24,650,032</u>	<u>21,210,657</u>	<u>18,389,889</u>
Change in Net Assets	<u>\$ 1,585,474</u>	<u>\$ (1,081,765)</u>	<u>\$ (272,623)</u>	<u>\$ (151,262)</u>	<u>\$ 305,624</u>	<u>\$ 1,344,176</u>	<u>\$ 106,857</u>	<u>\$ 306,579</u>

Notes:

- (1) The School District reports only governmental activities and has no component units
- (2) The School District began to report accrual information when it implemented GASB Statement No. 34 for fiscal year 2003.
 - (a) Increases in property taxes levied for general purposes related to replacement levies approved by voters in 2004, 2005 and 2009, 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.

BELLBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

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

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Fund:										
Reserved	\$ 1,086,809	\$ 386,018	\$ 675,466	\$ 692,095	\$ 507,241	\$ 1,007,961	\$ 809,376	\$ 767,168	\$ 916,041	\$ 910,397
Unreserved	(2,460,955)	(3,329,770)	(2,671,312)	(2,757,519)	(1,845,194)	(2,163,267)	(2,008,967)	(1,800,271)	(1,610,389)	(238,616)
Total general fund	<u>\$ (1,374,146)</u>	<u>\$ (2,943,752)</u>	<u>\$ (1,995,846)</u>	<u>\$ (2,065,424)</u>	<u>\$ (1,337,953)</u>	<u>\$ (1,155,306)</u>	<u>\$ (1,199,591)</u>	<u>\$ (1,033,103)</u>	<u>\$ (694,348)</u>	<u>\$ 671,781</u>
All Other Governmental Funds:										
Reserved (a)	\$ 474,697	\$ 318,541	\$ 2,262,369	\$ 1,315,389	\$ 7,817,647	\$ 21,991,285	\$ 7,771,452	\$ 173,827	\$ 318,967	\$ 192,670
Unreserved, reported in:										
Special revenue funds	287,397	161,558	218,904	175,018	251,384	262,846	231,588	204,909	182,986	193,219
Debt service funds (b)	922,367	1,436,159	1,496,732	1,532,627	1,356,258	1,286,519	807,235	426,041	607,469	623,577
Capital project funds (a)	45,846	215,461	(76,608)	(634,376)	(311,787)	4,791,483	33,087,325	(561,382)	(1,039,434)	(1,063,610)
Total all other governmental funds	<u>\$ 1,730,307</u>	<u>\$ 2,131,719</u>	<u>\$ 3,901,397</u>	<u>\$ 2,388,658</u>	<u>\$ 9,113,502</u>	<u>\$ 28,332,133</u>	<u>\$ 41,897,600</u>	<u>\$ 243,395</u>	<u>\$ 69,988</u>	<u>\$ (54,144)</u>

Notes:

- (1) For fiscal year 2003 through 2010, the School District reported under GASB 34 and amounts reported include funds reported as enterprise funds prior to fiscal year 2003.
- (2) For fiscal years prior to 2003, the amounts reported include those reported for the general, special revenue, debt service and capital project fund types.
 - (a) The increases in the reservation of fund balance is attributed to outstanding encumbrances related to the school construction projects. These projects also account for the temporary spike in the reported fund balance associated with capital project funds.
 - (b) Fund balance reported for the debt service funds increased due to the passage of a bond levy in 2003 and the collection of the taxes associated with this levy beginning in 2004.

**BELLBROOK-SUGARCREK 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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Taxes (a)	\$ 17,796,116	\$ 16,772,145	\$ 16,750,503	\$ 16,997,718	\$ 14,906,339	\$ 14,154,000	\$ 12,605,432	\$ 10,408,965	\$ 10,614,577	\$ 10,082,554
Intergovernmental	10,445,355	9,696,589	9,611,962	9,362,357	9,003,243	8,895,907	8,701,300	8,281,458	7,307,438	6,138,509
Student sales	545,245	562,807	544,891	536,643	459,391	461,621	453,515	392,883	-	-
Interest	1,840	32,924	190,099	421,024	749,936	632,651	393,815	41,603	79,146	244,816
Tuition and fees	479,451	448,620	480,638	421,390	330,471	316,197	322,311	245,284	374,339	264,617
Extracurricular activities	426,634	394,789	470,794	446,538	443,762	428,332	444,753	463,954	344,884	402,438
Miscellaneous	405,824	439,955	562,201	265,174	259,717	1,683,831	177,198	194,438	181,172	292,660
Total Revenues	30,100,465	28,347,829	28,611,088	28,450,844	26,152,859	26,572,539	23,098,324	20,028,585	18,901,556	17,422,594
Expenditures:										
Instruction:										
Regular (b)	10,608,719	10,893,822	10,552,557	10,645,800	10,002,429	9,573,424	8,594,258	8,016,586	8,039,234	7,440,604
Special	1,839,351	1,773,018	1,730,515	1,651,310	1,499,283	1,590,898	1,559,557	1,368,347	1,380,161	1,339,386
Vocational	6,203	-	-	-	-	-	-	109	560	2,415
Support Services:										
Pupils	2,367,165	2,539,238	2,514,632	2,315,864	1,014,091	1,052,715	972,094	916,360	866,414	672,871
Instructional staff	1,086,129	1,085,910	1,106,372	1,038,887	2,020,570	1,918,511	1,780,790	1,910,973	1,686,636	1,346,733
Board of education	71,446	30,796	44,698	44,951	72,473	75,315	55,746	38,386	21,670	24,906
Administration	1,789,229	1,837,892	1,848,649	1,802,792	1,909,505	1,704,490	1,540,318	1,416,294	1,347,974	1,209,095
Fiscal	949,688	667,606	757,538	1,191,441	667,335	549,823	1,278,796	551,679	457,583	480,695
Business	100,259	115,192	118,141	111,676	128,818	98,728	100,811	82,377	104,742	62,134
Plant operation and maintenance	2,387,031	2,696,583	2,415,055	2,464,174	2,191,561	1,876,538	1,824,150	1,868,960	1,754,412	1,499,322
Pupil transportation	1,229,445	1,464,086	1,559,990	1,530,297	1,697,476	1,593,490	1,635,260	1,216,877	1,398,745	1,359,755
Central	40,300	82,262	101,812	78,552	92,611	85,132	122,872	150,139	103,046	114,645
Non-instructional services	683,472	711,543	668,807	648,396	688,702	697,632	565,274	470,087	31,276	6,350
Extracurricular activities	1,102,543	1,198,067	1,219,203	1,334,888	992,038	979,690	1,018,758	983,861	958,967	789,197
Capital outlay (c)	217,204	1,832,052	3,602,763	7,717,195	19,012,186	15,493,891	1,712,219	2,254,865	609,538	837,800
Debt Service:										
Principal retirement (c)	2,475,884	2,191,974	2,048,290	1,872,496	1,511,820	908,959	2,221,888	755,907	847,048	790,854
Interest and fiscal charges (c)	2,021,631	2,085,232	1,927,295	1,954,342	2,296,766	2,297,619	1,787,270	354,296	385,892	410,803
Total Expenditures	28,975,699	31,205,273	32,216,317	36,403,061	45,797,664	40,496,855	26,770,061	22,356,103	19,993,898	18,387,565
Excess or Revenues Over(Under) Expenditures	\$ 1,124,766	\$ (2,857,444)	\$ (3,605,229)	\$ (7,952,217)	\$ (19,644,805)	\$ (13,924,316)	\$ (3,671,737)	\$ (2,327,518)	\$ (1,092,342)	\$ (961,971)
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	15.64%	14.56%	13.89%	13.34%	14.22%	12.82%	16.00%	5.52%	6.36%	6.85%

Notes:

- (1) For fiscal year 2003 through 2010, 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, 2005 and 2009, with collection of these taxes occurring in the subsequent calendar year.
 - (b) The School District's emphasis on lower teacher-to-student ratios to achieve academic goals resulted in increased instructional expenses over the past five fiscal years.
 - (c) Increase in capital outlay and debt service expenditures associated with the school construction and renovation project which is being financed through G.O. Bonds

**BELLBROOK-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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Excess or Revenues Over(Under)	\$ 1,124,766	\$ (2,857,444)	\$ (3,605,229)	\$ (7,952,217)	\$ (19,644,805)	\$ (13,924,316)	\$ (3,671,737)	\$ (2,327,518)	\$ (1,092,342)	\$ (961,971)
Expenditures	-	-	-	-	-	-	-	-	-	-
Other Financing Sources (Uses):										
Inception of capital lease	31,428	139,770	5,168,546	-	239,885	376,645	-	1,400,000	-	821,278
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	(36,432,310)	-	-	(4,296,939)	-	-	-
Proceeds from sale of bonds	-	-	-	34,625,000	-	-	47,990,000	-	-	-
Premium on sale of bonds	-	-	-	2,281,310	-	-	1,434,150	-	-	-
Proceeds from sale of capital assets	12,000	-	19,000	25,902	3,642	26,489	32,243	-	-	-
Transfers-In	38,800	365,490	2,301,705	768,000	19,571	378,756	44,388,141	342,550	584,529	330,673
Transfers-Out	(38,800)	(365,490)	(2,301,705)	(768,000)	(19,571)	(378,756)	(44,388,141)	(342,550)	(733,988)	(330,673)
Total Other Financing Sources(Uses)	43,428	139,770	5,187,546	499,902	243,527	403,134	45,159,454	1,400,000	(149,459)	821,278
Net Change in Fund Balances	\$ 1,168,194	\$ (2,717,674)	\$ 1,582,317	\$ (7,452,315)	\$ (19,401,278)	\$ (13,521,182)	\$ 41,487,717	\$ (927,518)	\$ (1,241,801)	\$ (140,693)

Notes:

- (1) For fiscal year 2003 through 2010, 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.

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

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

COLLECTION YEAR	Real Estate		Public Utility		Tangible Personal		Total		Assessed Value Ratio
	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	
2010	\$ 508,747,040	\$ 1,453,562,971	\$ 12,593,580	\$ 14,310,886	\$ 498,580	\$ 1,994,320	\$ 521,839,200	\$ 1,469,868,177	35.50%
2009	507,314,910	1,449,471,171	12,649,220	14,374,114	3,704,508	14,818,032	523,668,638	1,478,663,317	35.42%
2008	458,071,860	1,308,776,743	12,344,930	14,028,330	7,679,367	30,717,468	478,096,157	1,353,522,541	35.32%
2007	445,491,640	1,272,833,257	12,796,380	14,541,341	8,687,426	34,749,704	466,975,446	1,322,124,302	35.32%
2006	434,978,060	1,242,794,457	13,127,490	14,917,602	10,102,419	40,409,676	458,207,969	1,298,121,735	35.30%
2005	394,071,960	1,125,919,886	13,430,790	15,262,261	11,236,327	44,945,308	418,739,077	1,186,127,455	35.30%
2004	379,227,120	1,083,506,057	13,885,810	15,779,330	11,534,541	46,138,164	404,647,471	1,145,423,551	35.33%
2003	370,848,680	1,059,567,657	14,549,950	16,534,034	9,096,142	36,384,568	394,494,772	1,112,486,259	35.46%
2002	315,024,430	900,069,800	13,638,300	15,498,068	9,210,699	36,842,796	337,873,429	952,410,664	35.48%
2001	302,615,780	864,616,514	21,443,570	24,367,693	9,686,795	38,747,180	333,746,145	927,731,387	35.97%

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

Notes:

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

**BELBROOK-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
2010	\$ 62.75	\$ 5.80	\$ 2.00	\$ 70.55	\$ 12.75	\$ 3.45	\$ 21.10	\$ 107.85
2009	59.30	7.20	2.00	68.50	12.05	3.45	21.10	105.10
2008	59.30	7.40	2.00	68.70	12.05	3.45	21.10	105.30
2007	59.30	8.00	2.00	69.30	12.05	3.45	21.10	105.90
2006	59.30	8.00	2.00	69.30	12.80	3.45	21.10	106.65
2005	59.30	8.50	2.00	69.80	11.80	3.45	20.90	105.95
2004	59.30	8.50	2.00	69.80	10.57	3.45	20.90	104.72
2003	59.30	1.50	2.00	62.80	10.83	3.45	20.90	97.98
2002	59.30	2.20	2.00	63.50	10.63	3.45	20.90	98.48
2001	(a)	(a)	(a)	63.58	10.63	3.45	20.90	98.56

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.

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

PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO

Name of Taxpayer	Fiscal Year 2010			Fiscal Year 2001		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dayton Power and Light Company	\$ 11,620,820	1	2.23%	\$ 9,911,340	1	2.97%
Cornerstone Developers LTD	5,644,570	2	1.08%	-		0.00%
Sugarcreek Plaza II LLC	5,317,630	3	1.02%	3,202,090	3	0.96%
Lofino Properties LLC	4,554,530	4	0.87%	3,159,770	4	0.95%
Five Seasons Sports Country Club	3,309,360	5	0.63%	3,047,990	5	0.91%
RLG Center Point LTD	2,847,360	6	0.55%	-		0.00%
Mill Pond Limited Partnership	2,743,180	7	0.53%	2,220,330	6	0.67%
HD Development of Maryland, Inc.	2,157,470	8	0.41%	-		0.00%
Briggs Road Associates	2,150,770	9	0.41%	1,613,220	9	0.48%
Target Corporation	2,094,130	10	0.40%	-		0.00%
Papock Herber	-		0.00%	3,650,360	2	1.09%
Sunset Development - Sugarcreek	-		0.00%	2,200,560	7	0.66%
Sugarcreek Associates	-		0.00%	2,088,060	8	0.63%
Spears Wendell Enterprises	-		<u>0.00%</u>	<u>1,550,080</u>	10	<u>0.46%</u>
Subtotal	42,439,820		8.13%	32,643,800		9.78%
All Other Taxpayers	<u>479,399,380</u>		<u>91.87%</u>	<u>301,102,345</u>		<u>90.22%</u>
Total Assessed Valuation	<u>\$ 521,839,200</u>		<u>100.00%</u>	<u>\$ 333,746,145</u>		<u>100.00%</u>

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

**BELLBROOK-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	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
2009	\$ 18,904,251	\$ 18,328,784	\$ 398,695	\$ 18,727,479	99.06%	\$ 695,359	3.68%
2008	19,427,387	18,053,123	514,606	18,567,729	95.58%	546,237	2.81%
2007	20,627,060	17,693,177	417,394	18,110,571	87.80%	878,065	4.26%
2006	19,572,756	17,923,771	427,865	18,351,636	93.76%	615,977	3.15%
2005	16,036,531	15,603,563	337,791	15,941,354	99.41%	712,396	4.44%
2004	14,535,834	13,850,562	287,470	14,138,032	97.26%	449,712	3.09%
2003	11,612,588	11,035,061	310,316	11,345,377	97.70%	373,855	3.22%
2002	11,930,320	11,210,884	254,275	11,465,159	96.10%	492,832	4.13%
2001	12,192,589	11,479,785	314,037	11,793,822	96.73%	435,486	3.57%
2000	11,957,856	11,228,520	281,061	11,509,581	96.25%	436,780	3.65%

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 2009 is the latest complete information available.

**BELLBROOK-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)
2010	\$ 42,258,467	\$ -	\$ 4,710,870	\$ 46,969,337	8.38%	\$ 3,391
2009	44,117,020	-	5,146,754	49,263,774	8.13%	3,557
2008	45,747,818	-	5,538,728	51,286,546	7.83%	3,549
2007	47,322,138	-	628,472	47,950,610	8.18%	3,318
2006	48,653,653	-	930,968	49,584,621	9.38%	3,431
2005	49,685,613	75,500	937,403	50,698,516	10.23%	3,509
2004	50,122,026	151,000	794,217	51,067,243	10.99%	3,534
2003	6,461,959	226,500	2,480,605	9,169,064	2.11%	672
2002	6,801,155	372,000	498,870	7,672,025	1.82%	562
2001	7,209,508	512,500	701,058	8,423,066	2.01%	581

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.

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

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

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Net General Obligation Bonds Outstanding	Percentage of Estimated Actual Property Value	Per Capita (a)
2010	\$ 42,258,467	\$ 922,367	\$ 41,336,100	2.81%	\$ 2,985
2009	44,117,020	1,436,159	42,680,861	2.89%	3,082
2008	45,747,818	1,496,732	44,251,086	3.27%	3,062
2007	47,322,138	1,532,627	45,789,511	3.46%	3,169
2006	48,653,653	1,356,258	47,297,395	3.64%	3,273
2005	49,685,613	1,286,519	48,399,094	4.08%	3,349
2004 (b)	50,122,026	807,235	49,314,791	4.31%	3,413
2003	6,461,959	426,041	6,035,918	0.54%	442
2002	6,801,155	607,469	6,193,686	0.65%	454
2001	7,209,508	623,577	6,585,931	0.71%	454

Notes:

- (1) - The School District reports only governmental activities and has no component units.
- (a) - See demographics schedule for population data. These ratios are calculated using population for prior calendar year.
- (b) - Increase in G.O. bonds associated with bond levy approved by voters in 2003 which provided funding for construction of new middle school and renovations to all other buildings within the School District.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010**

<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	\$ 29,697,000	13.48%	\$ 4,003,156
Subtotal, Overlapping Debt			4,003,156
School District Direct Debt			<u>46,969,337</u>
Total Direct and Overlapping Debt			<u>\$ 50,972,493</u>

Source: Greene County Auditor.

Notes:

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

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

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Assessed Value	\$ 521,839,200	\$ 523,668,638	\$ 478,096,157	\$ 466,975,446	\$ 458,207,969	\$ 418,739,077	\$ 402,873,212	\$ 394,494,772	\$ 337,873,429	\$ 333,746,145
Bonded Debt Limit: (a)	\$ 46,965,528	\$ 47,130,177	\$ 43,028,654	\$ 42,027,790	\$ 41,238,717	\$ 37,686,517	\$ 36,238,589	\$ 35,504,529	\$ 30,408,609	\$ 30,037,153
Amount of Debt Applicable to Debt Limit: Bonded Debt	(42,258,467)	(44,117,020)	(45,747,818)	(47,322,138)	(48,653,653)	(49,685,613)	(50,122,026)	(6,461,959)	(6,801,155)	(7,209,508)
Amount Available in Debt Service Fund	922,367	1,436,159	1,496,732	1,532,627	1,356,258	1,286,519	807,235	426,041	607,469	623,577
Net Bonded Debt	(41,336,100)	(42,680,861)	(44,251,086)	(45,789,511)	(47,297,395)	(48,399,094)	(49,314,791)	(6,035,918)	(6,193,686)	(6,585,931)
Overall Debt Margin: (b)	\$ 5,629,428	\$ 4,449,316	\$ (1,222,432)	\$ (3,761,721)	\$ (6,058,678)	\$ (10,712,577)	\$ (13,056,202)	\$ 29,468,611	\$ 24,214,923	\$ 23,451,222
Energy Conservation Debt Limit: (a)	\$ 4,696,553	\$ 4,713,018	\$ 4,302,865	\$ 4,202,779	\$ 4,123,872	\$ 3,768,652	\$ 3,625,859	\$ 3,550,453	\$ 3,040,861	\$ 3,003,715
Amount of Debt Applicable	-	-	-	-	-	(75,500)	(151,000)	(226,500)	(372,000)	(512,500)
Energy Conservation Debt Margin	\$ 4,696,553	\$ 4,713,018	\$ 4,302,865	\$ 4,202,779	\$ 4,123,872	\$ 3,693,152	\$ 3,474,859	\$ 3,323,953	\$ 2,668,861	\$ 2,491,215
Unvoted Debt Limit: (a)	\$ 521,839	\$ 523,669	\$ 478,096	\$ 466,975	\$ 458,208	\$ 418,739	\$ 402,873	\$ 394,495	\$ 337,873	\$ 333,746
Amount of Debt Applicable	-	-	-	-	-	-	-	-	(2,142)	(46,448)
Unvoted Debt Margin	\$ 521,839	\$ 523,669	\$ 478,096	\$ 466,975	\$ 458,208	\$ 418,739	\$ 402,873	\$ 394,495	\$ 335,731	\$ 287,298

Source: County Auditor and School District's financial records

Notes:

- (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.

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

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

<u>Calendar Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (c)</u>
2009	13,850	\$ 560,694,293	\$ 40,483	10.60%
2008	13,850	605,869,924	43,745	6.20%
2007	14,450	654,685,395	45,307	5.20%
2006	14,450	586,373,472	40,579	5.10%
2005	14,450	528,612,508	36,582	5.00%
2004	14,450	495,805,421	34,312	6.00%
2003	14,450	464,693,154	32,159	5.90%
2002	13,650	435,053,008	31,872	4.10%
2001	13,650	421,083,814	30,849	3.60%
2000	14,500	418,251,681	28,845	3.40%

Notes:

- (a) - Estimates by City of Bellbrook, Ohio and Sugarcreek Township
- (b) - Ohio Department of Taxation; information for 2007 not available therefore the personal income was estimated using historical trends.
- (c) - Ohio Department of Jobs and Family Services; presented for Greene County

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

PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND SIX YEARS AGO

<u>Employer</u>	<u>Fiscal Year 2010</u>		<u>Fiscal Year 2004 (a)</u>	
	<u>Employees (b)</u>	<u>Rank</u>	<u>Employees (b)</u>	<u>Rank</u>
Super Walmart	310	1	250	2
Sugarcreek Local School District	269	2	290	1
Lowe's Home Improvement	170	3	140	3
Target	135	4		
Cracker Barrel	130	5	120	7
Kroger's	130	6	112	9
Kohl's	125	7	140	4
Home Depot	118	8	134	6
Sugarcreek Township	90	9		
Cub Foods	85	10	135	5
Five Seasons Sports Country Club			115	8
City of Bellbrook			63	10

Source: Bellbrook-Sugarcreek Chamber of Commerce

Notes:

- (1) - Total employees within District boundaries could not be provided, therefore percentage of each employer's percentage of total employment could not be presented or estimated.
- (a) - 2004 was the first year the information was available.
- (b) - number of employees represents number of positions, not FTE equivalents.

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

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Average Daily Membership	Operating Expenditures (a)	Expenditures per Pupil	Percentage Change	Expenses	Expenses per Pupil	Percentage Change	Number of FTE Teaching Positions	Pupil-Teacher Ratio	Percentage of Free or Reduced Price Meals
2010	2,710	\$ 24,260,980	\$ 8,952	-1.90%	\$ 28,682,352	\$ 10,584	-1.91%	153	17.71	15.00%
2009	2,750	25,095,925	9,126	2.38%	29,673,761	10,790	3.53%	164	16.77	11.00%
2008	2,764	24,637,969	8,914	1.01%	28,809,255	10,423	2.57%	170	16.26	10.00%
2007	2,817	24,859,028	8,825	5.12%	28,626,171	10,162	7.61%	170	16.57	11.00%
2006	2,737	22,976,892	8,395	6.92%	25,846,584	9,443	3.32%	171	16.01	11.00%
2005	2,776	21,796,386	7,852	2.99%	25,371,969	9,140	9.63%	(b)	(b)	(b)
2004	2,761	21,048,684	7,624	10.43%	23,019,145	8,337	16.52%	(b)	(b)	(b)
2003	2,751	18,991,035	6,903	0.82%	19,683,920	7,155	N/A	(b)	(b)	(b)
2002	2,651	18,151,420	6,847	9.02%	N/A	N/A	N/A	(b)	(b)	(b)
2001	2,603	16,348,108	6,280	6.79%	N/A	N/A	N/A	(b)	(b)	(b)

Notes:

(1) - The School District implemented GASB Statement No. 34 in fiscal year 2003, therefore the amounts for fiscal years 2001 and 2002 includes general, special revenue, capital projects and expendable trust funds.

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

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

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory					
Superintendent	1	1	1	1	1
Principals	4	4	4	4	5
Assistant Principals	3	3	3	3	3
Transportation Coordinator	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Total supervisory	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>
Instruction					
Classroom Teachers	126.15	135.8	136.75	140	140.2
Special Education Teachers	13.7	13.7	13.3	13	13.5
Special Education Aides	18	16.5	14.2	10.5	10.5
Regular Classroom Aides	4	5.8	5.8	6.8	6.75
Total instruction	<u>161.85</u>	<u>171.8</u>	<u>170.05</u>	<u>170.3</u>	<u>170.95</u>
Student Services					
Guidance Counselors	7	7	6.25	6.25	6.25
Technology Coordinators	1	2	2	2	2
Total student services	<u>8</u>	<u>9</u>	<u>8.25</u>	<u>8.25</u>	<u>8.25</u>
Support and Administration					
Clerical/Secretarial/Library	19.6	20.8	20.6	22	23
Treasurer	1	1	1	1	1
Treasurer's Office	2	2	2	2	2
Business Manager	0.4	0.4	0.6	0.6	0.6
Bus Drivers	18.6	23.9	22.75	22.75	22.75
Transportation Aides	2	3	3	3	3
Nurses	2.5	2.5	2.5	2	2
Custodial/Maintenance	21.9	22.9	25.8	21.5	22
Curriculum Coordinator	1	1	1	1	1
Total support and administration	<u>69</u>	<u>77.5</u>	<u>79.25</u>	<u>75.85</u>	<u>77.35</u>
Total	<u>248.85</u>	<u>268.3</u>	<u>267.55</u>	<u>264.4</u>	<u>267.55</u>

Source: District personnel records

Notes:

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

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

TEACHER EDUCATION AND EXPERIENCE
JUNE 30, 2010

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	8	5.23%
Bachelor's + 18 Semester Hours of Graduate Credit	27	17.65%
Master's Degree	76	49.67%
Master's Degree + 30 Semester Hours of Graduate Credit	41	26.80%
Doctorate Degree	1	0.65%
Total	153	100.00%

Years of Experience	Number of Teachers	Percentage of Total
0 - 4	17	11.11%
5 - 9	20	13.07%
10 - 14	33	21.57%
15 - 19	36	23.53%
20 - 29	37	24.18%
30 and over	10	6.54%
Total	153	100.00%

Source: School District Personnel Records

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

CAPITAL ASSET INFORMATION
LAST FIVE FISCAL YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>School Buildings:</u>					
<u>Elementary</u>					
Buildings	3	3	3	3	3
Square Feet	187,057	187,057	187,057	127,330	127,330
Capacity	1,450	1,450	1,450	1,300	1,300
Enrollment	1,177	1,172	1,177	1,217	1,217
<u>Middle</u>					
Buildings	1	1	1	1	1
Square Feet	73,514	73,514	73,514	73,514	73,514
Capacity	776	776	776	650	650
Enrollment	642	647	642	656	656
<u>High</u>					
Buildings	1	1	1	1	1
Square Feet	200,327	200,327	200,327	161,000	161,000
Capacity	1,155	1,155	1,155	1,025	1,025
Enrollment	945	916	945	963	963
<u>Administrative Building:</u>					
Buildings	1	1	1	1	1
Square Feet	3,350	3,350	3,350	3,350	3,350
<u>Transportation:</u>					
Garages	1	1	1	1	1
Buses	37	45	44	43	43
<u>Athletics:</u>					
Football Fields	3	3	3	3	3
Soccer Fields	2	2	2	2	2
Running Tracks	1	1	1	1	1
Baseball/Softball Fields	2	2	2	2	2
Playgrounds	4	4	4	4	4

Notes:

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

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Dave Yost • Auditor of State

BELBROOK-SUGARCREEK LOCAL SCHOOL DISTRICT

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 27, 2011**