



**Auditor of State  
Betty Montgomery**





Mary Taylor, CPA  
Auditor of State

January 17, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

*Mary Taylor*

MARY TAYLOR, CPA  
Auditor of State

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**WAVERLY CITY SCHOOL DISTRICT  
PIKE COUNTY**

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**WAVERLY CITY SCHOOL DISTRICT  
PIKE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

<b>FEDERAL GRANTOR</b> <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>						
<i>Passed through the Ohio Department of Education</i>						
Food Donation	10.550	N/A	\$	27,862	\$	27,862
Nutrition Cluster:						
School Breakfast Program	10.553	05-PU-2005 05-PU20-06	12,495 88,096		12,495 88,096	
Total School Breakfast Program			100,591	0	100,591	0
National School Lunch Program	10.555	LL-P4-2005 LL-P4-2006	35,507 246,645		35,507 246,645	
Total National School Lunch Program			282,152	0	282,152	0
Total Nutrition Cluster			382,743	0	382,743	0
Total United States Department of Agriculture			382,743	27,862	382,743	27,862
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>						
<i>Passed through the Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	84.010	C1-S1-2005 C1-S1-2006	(16,931) 445,896		68,348 419,539	
Total Title I Grants to Local Educational Agencies			428,965	0	487,887	0
Special Education - Grants to States	84.027	6B-SF-2003-P 6B-SF-2005 6B-SF-2006	(77,050) 96,319 553,765		- 83,103 379,732	
Total Special Education - Grants to States			573,034	0	462,835	0
Safe and Drug-Free Schools and Communities - State Grants	84.186	DR-S1-2005 DR-S1-2006	10,027 7,847		9,111 5,888	
Total Safe and Drug-Free Schools and Communities - State Grants			17,874	0	14,999	0
State Grants for Innovative Programs	84.298	C2-S1-2005 C2-S1-2006	10,229 673		11,574 -	
Total State Grants for Innovative Programs			10,902	0	11,574	0
Education Technology State Grants	84.318	TJ-S1-2005 TJ-S1-2006	9,292 9,058		11,288 8,124	
Total Education Technology State Grants			18,350	0	19,412	0
Improving Teacher Quality State Grants	84.367	TR-S1-2005 TR-S1-2006	12,871 111,245		16,190 127,236	
Total Improving Teacher Quality State Grants			124,116	0	143,426	0
Total United States Department of Education			1,173,241	0	1,140,133	0
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities</i>						
State Children's Insurance Program	93.767	N/A	3,036		3,036	
Medical Assistance Program	93.778	N/A	58,427		58,427	
Total United States Department of Health and Human Services			61,463	0	61,463	0
<b>Total Federal Awards Receipts and Expenditures</b>			<b>1,617,447</b>	<b>27,862</b>	<b>1,584,339</b>	<b>27,862</b>

The Notes to the Schedule of Federal Awards Receipts and Expenditures is an integral part of the Schedule.

**WAVERLY CITY SCHOOL DISTRICT  
PIKE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL THE YEAR ENDED JUNE 30, 2006**

**NOTE A – BASIS OF ACCOUNTING**

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

**NOTE B – CHILD NUTRITION CLUSTER**

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the United States Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

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

**NOTE C – NEGATIVE RECEIPTS**

Title I Grants, CFDA #84.010, and Special Education Grants, CFDA #84.027, funds in the amount of \$16,931 and \$77,050, respectively, were carried over from 2005 to the next program year, resulting in negative receipts of \$16,931 and \$77,050.





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED  
BY GOVERNMENT AUDITING STANDARDS**

Waverly City School District  
Pike County  
1 Tiger Drive  
Waverly, Ohio 45690

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio (the School District), as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the basic financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the School District's management dated December 22, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

**Compliance and Other Matters**

As part of reasonably assuring whether the School District's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2006-001. In a separate letter to the School District's management dated December 22, 2006, we reported other matters related to noncompliance we deemed immaterial.

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Waverly City School District  
Pike County  
Independent Accountants' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

December 22, 2006



**Auditor of State  
Betty Montgomery**

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

Waverly City School District  
Pike County  
1 Tiger Drive  
Waverly, Ohio 45690

To the Board of Education:

**Compliance**

We have audited the compliance of the Waverly City School District, Pike County, Ohio (the School District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2006. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Waverly City School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2006.

### **Internal Control Over Compliance**

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

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

### **Schedule of Federal Awards Receipts and Expenditures**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 22, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

December 22, 2006

**WAVERLY CITY SCHOOL DISTRICT  
PIKE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Nutrition Cluster – CFDA #10.553 and 10.555 Special Education – Grants to States – CFDA #84.027
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

WAVERLY CITY SCHOOL DISTRICT  
PIKE COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006  
(Continued)

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

**FINDING NUMBER 2006-001**

Ohio Rev. Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources.

As of May 31, 2006, the following funds had appropriations which exceeded estimated resources.

Fund Name (Number)	Appropriations As of May, 2006	Estimated Resources as of May, 2006	\$ Variance
General Fund (001)	\$16,772,553	\$15,037,472	\$1,735,081
Classroom Facilities Fund (010)	6,012,210	1,872,130	4,140,080

We recommend the Treasurer monitor appropriations to ensure that appropriations do not exceed estimated resources. Also, we recommend the Treasurer obtain an amended certificate of estimated resources from the Budget Commission and/or request the Board to amend appropriations accordingly. The School District should verify the unencumbered balance is reported accurately to the County Auditor.

We did not receive a response from Officials to this finding.

**3. FINDINGS FOR FEDERAL AWARDS**

There were no findings required to be reported.

**WAVERLY CITY SCHOOL DISTRICT  
PIKE COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A-133 § .315 (c)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2006-001	The School District will monitor budgetary controls more closely in the future to alleviate such compliance issues.	January 1, 2007	Rebecca Peden, Treasurer





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006



WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO



***WAVERLY CITY SCHOOL DISTRICT***

**WAVERLY, OHIO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Issued by:

Treasurer's Office

Rebecca L. Peden, Treasurer/Chief Financial Officer

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WAVERLY CITY SCHOOL DISTRICT

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# INTRODUCTORY SECTION



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# Waverly City Schools

*Board of Education:*

*Randy Armbruster, President*

*Sharon Manson, Vice President*

*John Boyer*

*Kristen Boyer*

*Gary Towler*

*1 Tiger Drive*

*Waverly, Ohio 45690*

*(740) 947-4770*

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*www.waverly.k12.oh.us*

December 22, 2006

To the Citizens and  
Board of Education of the  
Waverly City School District

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Waverly City School District for the fiscal year ended June 30, 2006. This Comprehensive Annual Financial Report, which contains financial statements, supplemental statements and statistical information, conforms to generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the School District for the 2006 fiscal year.

State law requires that every general-purpose local government file with the Auditor of State and publish the availability of financial statements within five months of the close of each fiscal year. The basic financial statements from this report were filed to fulfill that requirement for the fiscal year ended June 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on 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, assurance that the financial statements are free of any material misstatements.

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the Waverly City School District's financial statements for the fiscal year ended June 30, 2006. The report of independent accountants is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes a title page, the table of contents, this transmittal letter, a Certificate of Achievement for Excellence in Financial Reporting, a Certificate of Excellence in Financial Reporting, a list of principal officials, and the School District's organizational chart.

The **Financial Section** includes the independent accountants' report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

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

## **PROFILE OF THE GOVERNMENT AND REPORTING ENTITY**

Waverly City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines. While located in Pike County, the School District is an independent school district and is not a component unit of a county board of education.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and custody of all School District funds and assets, and also serves as Secretary to the Board.

A 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 of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

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 board 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 that are fiscally dependent on the School District in that the School District approves the organization's budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

The School District participates in four jointly governed organizations and two insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), the Pike County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Plan and the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

The School Board is required to adopt a final budget no later than the close of the fiscal year for the following fiscal year. The annual budget serves as the foundation of the Waverly City School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been given authority to allocate Board appropriations to the function and object level within each fund.

## **ECONOMIC CONDITION AND OUTLOOK**

The Waverly City School District encompasses 119 square miles in Pike County, in south central Ohio. The county itself is located approximately 60 miles south of Columbus on U.S. Route 23, 75 miles east of Cincinnati on U.S. Route 32, and 50 miles north of Ashland, Kentucky. This central position provides a strategic location for the future development of business and industry.

Pike County is a rural community in Southern Ohio with a relatively high unemployment rate. The unemployment rate has risen from a low of 6.9 percent in 2000 to the 2006 rate of 8.1 percent. The estimated population of Pike County in 2005 was 28,690. Population projections for Pike County are indicating slight growth with 30,340 projected for 2015 and 31,550 projected for 2030. A new centrifuge facility planned for the county, which will create up to 500 new jobs, could increase the projected population growth. While not located in the Waverly City School District, the new facility should bring new residents to the School District.

## **FINANCIAL TRENDS**

Following two years of increased costs related to the replacement of four school buildings, fiscal year 2006 saw expenditures reach a more stable level. The Board and Administration have made an effort to decrease costs by eliminating administrative, aide and clerical positions through attrition and cutting back on supplies and equipment.

During fiscal year 2006, the School District entered into a lease-purchase agreement to reimburse the General Fund for expenditures made during construction for locally funded initiatives, including an auditorium in the new high school. The amount of the lease-purchase agreement was \$1,650,000 and payments will be made over the next twenty years.

## **FINANCIAL PLANNING AND POLICIES**

For the 2006-2007 and 2007-2008 school years the School District has negotiated a 0.5 percent salary increase for the certificated staff. The administrative staff will receive no salary increase for the 2006-2007 school year. Negotiations are currently ongoing with the noncertificated staff. These efforts will help the School District become more fiscally sound.

Another issue the School District is encountering is House Bill 66. In June 2005, House Bill 66 was signed and put into law. This bill phases out the tangible personal property tax for School Districts. This bill will affect future planning of the School District's budget because the School District will lose approximately 8.7 percent of its General Fund revenue when State reimbursement for the loss of this tax begins phasing out in the year 2011.

## **THE DISTRICT AND ITS FACILITIES**

The School District provides a full range of traditional and non-traditional educational programs, services and facilities. These include elementary and secondary curriculum offerings at general, college preparatory and vocational levels; a broad range of co-curricular and extracurricular activities; and special education programs and facilities.

The School District served 2,121 students during the 2006 fiscal year. Facilities include one high school, one junior high school, and two elementary schools, one of which includes a preschool. Enrollment is projected to remain steady with slight increases. The enrollment per school is as follows:

<u>School</u>	<u>Grades</u>	<u>Enrollment</u>
Waverly Primary	K-2	515
Waverly Intermediate	3-5	431
Waverly Junior High	6-8	483
Waverly High School	9-12	692

## **MAJOR INITIATIVES**

During fiscal year 2006, the School District launched cost saving measures designed to improve the financial outlook. Two administrative positions were eliminated as staff left to pursue other educational opportunities. Other positions were also eliminated through attrition, including an alternative school teacher and an instructional aide.

Supply and equipment costs were slashed dramatically as principals were held accountable for building expenditures. Field trips were limited to one per grade level and no new textbooks were adopted.

For the first time, the School District achieved an effective rating on the State Report Card. In addition the Primary, Intermediate, and High Schools were designated as effective with the Junior High School maintaining its continuous improvement status.

The Treasurer plans to continue to prepare the Comprehensive Annual Financial Report in future fiscal years.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **GFOA CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Waverly City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2005. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **ASBO CERTIFICATE OF EXCELLENCE**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Waverly City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005.

A Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report (CAFR) for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met the criteria for excellence in financial reporting.

### **ACKNOWLEDGMENTS**

Sincere gratitude goes to the Waverly City Board of Education, Randy Armbruster, John Boyer, Kristen Boyer, Sharon Manson, and Gary Towler, where the commitment to excellence begins, for their support in granting funds for this project. Special acknowledgment is extended to the Auditor of State's Local Government Services Section for their efforts and contributions in the preparation of this Comprehensive Annual Financial Report. A special thank you also goes to Linda Jordan, Lari Patton, and Nancy Voorhes of the Waverly City Schools Fiscal Office for their assistance in compiling information for this report.

Respectfully submitted,

Rebecca L. Peden  
Treasurer

Cheryl Francis  
Superintendent

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Waverly City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**WAVERLY CITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2005

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

*Waverly City School District*

*List of Principal Officials*  
*June 30, 2006*

ELECTED OFFICIALS

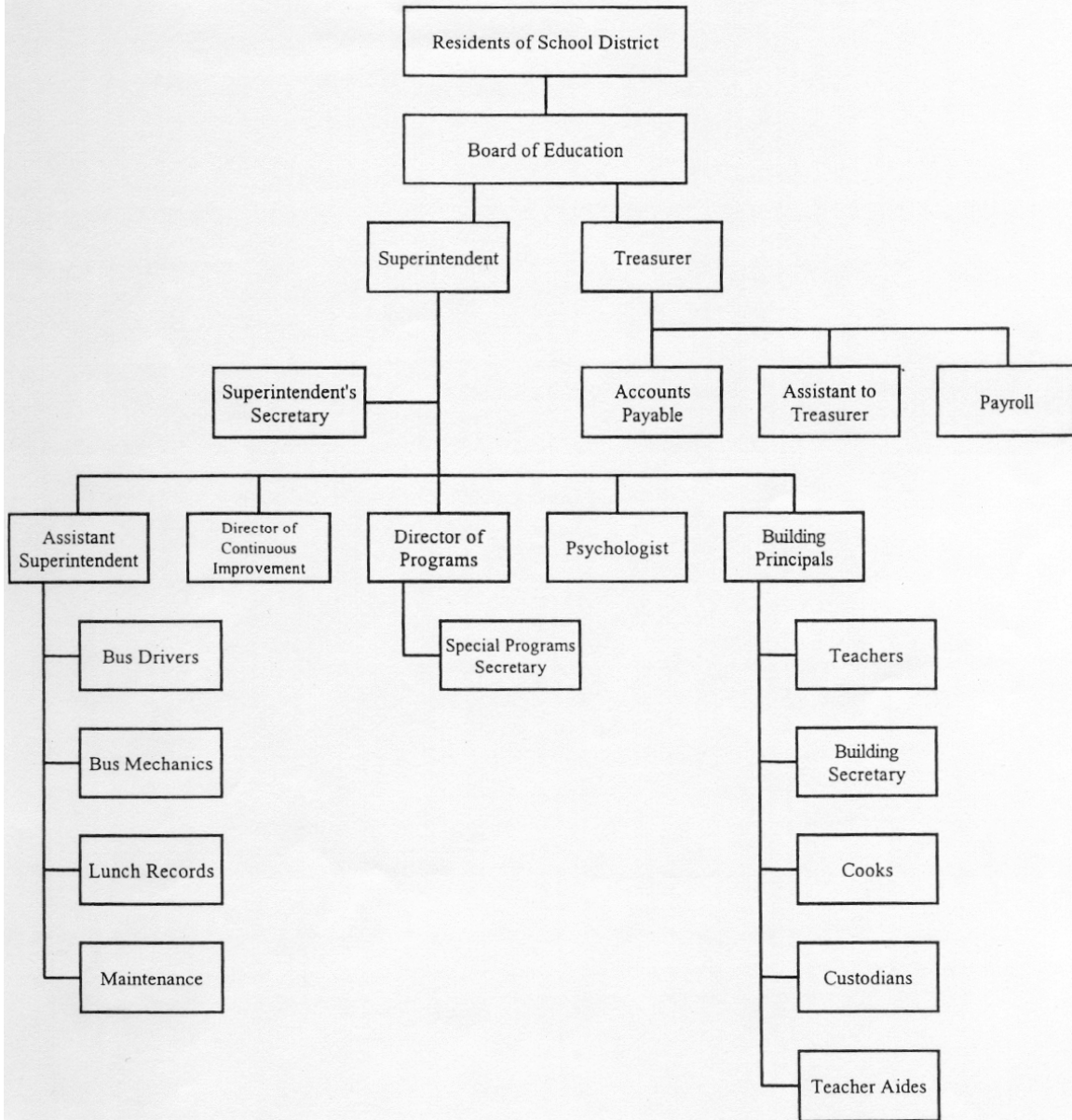
President, Board of Education .....Randy Armbruster  
Vice President, Board of Education..... Sharon Manson  
Board Member ..... John Boyer  
Board Member ..... Kristen Boyer  
Board Member ..... Gary Towler

ADMINISTRATIVE OFFICIALS

Superintendent ..... Cheryl Francis  
Treasurer ..... Rebecca L. Peden  
Assistant Superintendent..... Roger Ramsey  
Director of Programs.....Michael Roback  
Director of Continuous Improvement.....Rick Teeters  
Principal, Waverly High School .....David Surrey  
Principal, Waverly Junior High ..... Bill Hoover  
Principal, Waverly Intermediate ..... Andrew Seddelmeyer  
Principal, Waverly Primary ..... Ed Dickens  
Assistant Principal, Waverly Primary..... William Hobbs



Waverly City School District



# WAVERLY CITY SCHOOL DISTRICT

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## FINANCIAL SECTION





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Waverly City School District  
Pike County  
1 Tiger Drive  
Waverly, Ohio 45690

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio (the School District), as of and for the year ended June 30, 2006, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, as of June 30, 2006, and the respective changes in financial position thereof and the 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 22, 2006, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

**Betty Montgomery**  
Auditor of State

December 22, 2006

**Waverly City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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As management of the Waverly City School District, we offer readers of the Waverly City School District's Comprehensive Annual Financial Report this narrative, overview and analysis of the financial activities for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

## **Government-wide Financial Statements**

### **Financial Highlights**

- The assets of Waverly City School District exceeded its liabilities at June 30, 2006 by \$42,688,124.
- In total, net assets decreased by \$1,124,217.
- General revenues accounted for \$15,821,025 or 82 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,529,350 or 18 percent of total revenues of \$19,350,375.
- The School District had \$20,474,592 in expenses related to governmental activities; only \$3,529,350 of these expenses were offset by program specific charges for services and sales, grants or contributions.

### **Using this Comprehensive Annual Financial Report (CAFR)**

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. 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 major funds with all other non major funds presented in total in one column. The major funds for the Waverly City School District are the General Fund and Debt Service Fund.

**Waverly City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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## **Reporting the School District as a Whole**

One of the most important questions asked about the School District is “How did we do financially during 2006?” The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District’s financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting*, which is 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 net 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. However, the School District’s goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District’s property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District’s major funds begins on page 8. Fund financial statements provide detailed information about the School District’s major 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 major funds.

**Governmental Funds** - Most of 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 fiscal year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**Fiduciary Funds** - The School District’s only fiduciary fund is an agency fund. We exclude these activities from the School District’s other financial statements because the School District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

**Waverly City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2006**  
**Unaudited**

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**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2006 and 2005:

(Table 1)  
**Net Assets**  
**Governmental Activities**

	2006	2005	Change
<b>Assets</b>			
Current and Other Assets	\$10,565,528	\$8,526,176	\$2,039,352
Capital Assets	49,089,121	50,434,315	(1,345,194)
Total Assets	<u>59,654,649</u>	<u>58,960,491</u>	<u>694,158</u>
<b>Liabilities</b>			
Long-Term Liabilities	(10,626,952)	(9,135,632)	(1,491,320)
Other Liabilities	(6,339,573)	(6,012,518)	(327,055)
Total Liabilities	<u>(16,966,525)</u>	<u>(15,148,150)</u>	<u>(1,818,375)</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	39,938,314	43,103,982	(3,165,668)
Restricted	1,568,752	952,988	615,764
Unrestricted	1,181,058	(244,629)	1,425,687
Total Net Assets	<u>\$42,688,124</u>	<u>\$43,812,341</u>	<u>(\$1,124,217)</u>

Total assets increased \$694,158. The School District received proceeds of a capital lease of \$1,650,000 during the fiscal year. The proceeds were used to replenish funds that had been spent to construct an auditorium in the prior fiscal year. Taxes receivable also increased by \$699,926. These increases were offset by depreciation expense of \$2,073,724.

**Waverly City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2006**  
**Unaudited**

Table 2 shows the changes in net assets for fiscal year 2006.

(Table 2)  
**Change in Net Assets**

	<u>2006</u>	<u>2005</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$997,744	\$939,417	\$58,327
Operating Grants and Contributions	2,502,358	2,282,124	220,234
Capital Grants and Contributions	29,248	7,900	21,348
Total Program Revenues	<u>3,529,350</u>	<u>3,229,441</u>	<u>299,909</u>
General Revenues:			
Property Taxes	4,862,802	3,881,110	981,692
Grants and Entitlements not Restricted to Specific Programs	10,556,430	9,952,030	604,400
Payments in Lieu of Taxes	162,912	0	162,912
Investment Earnings	112,719	102,029	10,690
Unrestricted Gifts and Donations	5,310	4,475	835
Miscellaneous	120,852	241,741	(120,889)
Total General Revenues	<u>15,821,025</u>	<u>14,181,385</u>	<u>1,639,640</u>
Total Revenues	<u>\$19,350,375</u>	<u>\$17,410,826</u>	<u>\$1,939,549</u>

(continued)



**Waverly City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

(Table 2)  
**Change in Net Assets**  
 (continued)

	2006	2005	Change
<b>Program Expenses</b>			
Instruction:			
Regular	\$9,571,763	\$7,565,359	\$2,006,404
Special	1,556,186	1,157,809	398,377
Vocational	163,007	81,722	81,285
Support Services:			
Pupils	980,844	995,277	(14,433)
Instructional Staff	1,600,404	1,187,689	412,715
Board of Education	55,275	39,830	15,445
Administration	1,291,218	1,321,229	(30,011)
Fiscal	521,358	404,189	117,169
Operation and Maintenance of Plant	1,842,924	1,266,638	576,286
Pupil Transportation	1,010,008	960,198	49,810
Central	7,563	10,684	(3,121)
Operation of Non-Instructional Services:			
Food Services	900,462	685,502	214,960
Other	43,420	10,958	32,462
Extracurricular Activities	514,390	486,903	27,487
Intergovernmental	0	36,425	(36,425)
Interest and Fiscal Charges	415,770	419,334	(3,564)
<b>Total Expenses</b>	<b>20,474,592</b>	<b>16,629,746</b>	<b>3,844,846</b>
Excess of Revenues Over Expenses			
Before Special Item	(1,124,217)	781,080	(1,905,297)
Special Item-Demolition of Buildings	0	(3,455,917)	3,455,917
<b>Increase (Decrease) in Net Assets</b>	<b>(1,124,217)</b>	<b>(2,674,837)</b>	<b>1,550,620</b>
Net Assets at Beginning of Year	43,812,341	46,487,178	(2,674,837)
Net Assets at End of Year	<u>\$42,688,124</u>	<u>\$43,812,341</u>	<u>(\$1,124,217)</u>

**Governmental Activities**

Grants and Entitlements made up 67 percent of general revenues for governmental activities of the Waverly City School District for fiscal year 2006. The Ohio School Facilities Commission Program provided 82 percent of the funding for our construction project. The School District is benefiting from State funding received for instructional purposes, professional development and facilities construction.

Instruction comprises 55 percent of governmental program expenses. Support services expenses make up 36 percent of governmental expenses.

**Waverly City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2006**  
**Unaudited**

The Statement of Activities shows the cost of program services and the charges for services and sales and grants and contributions offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

(Table 3)  
**Governmental Activities**

	Total Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2006	Net Cost of Services 2005
Instruction	\$11,290,956	\$8,804,890	(\$9,265,727)	(\$6,645,196)
Support Services	7,309,594	6,185,734	(6,678,554)	(5,415,329)
Operation of Non-				
Instructional Services	943,882	696,460	(251,242)	(85,285)
Extracurricular Activities	514,390	486,903	(333,949)	(332,965)
Intergovernmental	0	36,425	0	14,127
Interest and Fiscal Charges	415,770	419,334	(415,770)	(419,334)
Total Expenses	<u>\$20,474,592</u>	<u>\$16,629,746</u>	<u>(\$16,945,242)</u>	<u>(\$12,883,982)</u>

Program revenues increased by \$299,909. Operating grants and contributions increased by \$220,234 due to increases in State funding for special instruction, intergovernmental revenues for food service, and intergovernmental revenues for Title VI-B funding. Property taxes increased by \$981,692 due to a property reappraisal that took place in Pike County in calendar year 2005 and an increase in property tax advances available at year-end of \$229,790. Grants and entitlements not restricted for specific purposes increased by \$1,120,723 due to an increase in Poverty Based Assistance, State foundation funding, and school facilities monies.

Program expenses increased by \$3,844,846. Instruction increased by \$2,486,066 and support services increased by \$1,123,860 due to a large loss on disposal of capital assets related to the demolition of the old high school in fiscal year 2005. A major part of the loss was allocated to instruction and support services in fiscal year 2005.

**The School District's Funds**

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,338,835 and expenditures of \$19,281,206. The net change in fund balance for the year in the General Fund and Debt Service Fund was an increase of \$1,749,381 and \$134,658, respectively. This was due to an increase in taxes received by the School District. During fiscal year 2006 the School District entered into a lease-purchase agreement to reimburse the General Fund for expenditures incurred during construction of the new facilities. The amount of the borrowing was \$1,650,000, which also contributed to the increase in the General Fund balance.

**Waverly City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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General Fund revenues increased in fiscal year 2006 by \$1,323,177, due primarily to an increase in property taxes related to the new valuation, and an increase in State funding. General Fund expenditures decreased in fiscal year 2006 by \$2,152,159, due primarily to decreases in capital outlay as the School District's construction project nears closing. Regular instruction also decreased \$425,011, due to elimination of a teaching position through attrition and an effort to cut costs by buying fewer supplies and less equipment.

### **General Fund - Budget 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. During the course of fiscal year 2006 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 22, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

The School District's ending unobligated cash balance was \$17,985 above the final budgeted amount in the General Fund.

For the General Fund, original budgeted revenues were \$13,695,387 and final budgeted revenues were \$14,493,703. This represents an increase in estimated revenue of \$798,316, which was primarily due to the increase in property taxes related to the new valuation, and an increase in State funding. The difference between actual budget basis revenues and final budgeted revenues was \$17,985.

Original budgeted expenditures in the General Fund were \$16,626,107 and final budgeted expenditures were \$14,414,387. This represents a decrease in estimated expenditures of \$2,211,720, which was due primarily to the School District's efforts to cut costs in all possible areas. The difference between actual budget basis expenditures and final budgeted expenditures was \$0.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

At the end of fiscal year 2006 the School District had \$49,089,121 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and books and educational media. Table 4 shows fiscal year 2006 balances compared to 2005:

**Waverly City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

(Table 4)  
**Capital Assets at June 30**  
**(Net of Depreciation)**

	2006	2005
Land	\$848,500	\$848,500
Land Improvements	3,076,169	2,884,916
Buildings and Improvements	42,489,648	43,813,958
Furniture and Equipment	1,363,627	1,375,995
Vehicles	609,120	652,877
Book and Educational Media	702,057	858,069
Totals	\$49,089,121	\$50,434,315

The primary decrease occurred in buildings and improvements. This is due to the recognition of depreciation on buildings.

For more information on capital assets, refer to Note 9 in the notes to the basic financial statements.

***Debt***

At June 30, 2006, the School District had \$7,603,911 in bonds and loans outstanding, as well as \$223,905 of accretion on capital appreciation bonds outstanding. \$223,725 of the bonds and loans outstanding represent the amounts due within one year. Table 5 summarizes bonds and loans outstanding:

(Table 5)  
**Outstanding Debt, at Year-end**

	2006	2005
Loans Payable:		
1998-Energy Conservation Loan	\$333,005	\$407,639
General Obligation Bonds:		
2001-Classroom Facilities Bonds	7,374,082	7,525,906
Accretion on Capital		
Appreciation Bonds	223,905	168,697
Totals	\$7,930,992	\$8,102,242

**Waverly City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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Energy Conservation Loan - On December 1, 1998, the School District entered into a loan in the amount of \$794,000 in unvoted general obligation notes for the purpose of providing energy conversion measures for the School District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for an eleven year period with final maturity during fiscal year 2010. The loan will be retired by transfers from the General Fund to the Debt Service Fund. It is anticipated that the savings over eleven years will offset the costs.

General Obligation Bonds - On June 14, 2001, the School District issued \$8,085,906 in voted general obligation bonds for the purpose of constructing new classroom facilities. Current interest bonds were issued in an aggregate principal amount of \$7,810,000. Of these bonds, \$6,610,000 are serial bonds, \$1,200,000 are term bonds, and \$275,906 are capital appreciation bonds. The bonds were issued for a twenty-three year period with final maturity in December 2023. The bonds will be retired from the Debt Service Fund.

The term bonds issued at \$1,200,000 and maturing on December 1, 2023, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

Year	Amount
2022	\$585,000
2023	615,000
Total	\$1,200,000

The serial bonds issued at \$6,610,000 and with maturity date of December 1, 2002 to December 1, 2021, are subject to optional redemption, in whole or in part on any date at the option of the Issuer on or after December 1, 2010, at the redemption price of 100 percent.

The capital appreciation bonds, issued at \$275,906, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years in 2007 thru 2008, with a maturity amount of \$280,000 each year. For fiscal year 2006, the capital appreciation bonds were accreted \$55,208.

As of June 30, 2006, all of the bond proceeds had been spent toward the construction project.

The School District's overall legal debt margin was \$7,192,835, with an unvoted debt margin of \$154,636 and an Energy Conservation debt margin of \$1,058,721 at June 30, 2006.

For more information on debt, refer to Note 14 in the notes to the basic financial statements.

**Waverly City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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**Current Issues**

Waverly City School District is considered to be a low wealth district. Therefore, as indicated in the preceding financial information, the State of Ohio provides the majority of the funding received by the School District. Careful financial planning and the passage of a building levy have permitted our School District to provide a quality education for our students along with new and renovated facilities for the future, despite our low wealth status.

The School District is unable to predict what effect the budget problems of the State of Ohio may have on its financial operations. Waverly City School District is very concerned with the State budget decisions because the School District receives such a substantial amount of funding from the State of Ohio. In addition, the School District is concerned about the increased costs of operating new facilities and the effect these costs are having on the School District's bottom line. Expenditures are increasing at a higher rate than revenues and cuts will need to be made to maintain a sound financial condition.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and 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 any questions about this report or need additional information contact Rebecca L. Peden, Treasurer/Chief Financial Officer of Waverly City Board of Education, 1 Tiger Drive, Waverly, OH 45690 or e-mail at [bpeden\\_wc@scoca-k12.org](mailto:bpeden_wc@scoca-k12.org).

## Basic Financial Statements

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**Waverly City School District**  
*Statement of Net Assets*  
*June 30, 2006*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$5,152,564
Cash and Cash Equivalents	
With Escrow Agents	7,963
Accrued Interest Receivable	1,808
Accounts Receivable	79,508
Prepaid Items	10,397
Materials and Supplies Inventory	9,708
Intergovernmental Receivable	123,425
Taxes Receivable	5,077,051
Deferred Charges	103,104
Capital Assets:	
Land	848,500
Depreciable Capital Assets, Net	48,240,621
<i>Total Assets</i>	59,654,649
 <b>Liabilities</b>	
Accounts Payable	106,040
Contracts Payable	29,689
Accrued Wages	1,437,123
Intergovernmental Payable	473,601
Deferred Revenue	4,249,219
Undistributed Monies	202
Accrued Interest Payable	35,736
Retainage Payable	7,963
Long-Term Liabilities:	
Due Within One Year	308,907
Due Within More Than One Year	10,318,045
<i>Total Liabilities</i>	16,966,525
 <b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	39,938,314
Restricted for:	
Capital Projects	346,611
Debt Service	450,539
Set-Asides	57,076
Other Purposes	714,526
Unrestricted	1,181,058
<i>Total Net Assets</i>	\$42,688,124

See accompanying notes to the basic financial statements

**Waverly City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2006

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
<b>Governmental Activities</b>			
Instruction:			
Regular	\$9,571,763	\$543,289	\$374,183
Special	1,556,186	0	1,046,705
Vocational	163,007	0	39,804
Support Services:			
Pupils	980,844	5,405	27,644
Instructional Staff	1,600,404	20,335	388,498
Board of Education	55,275	0	0
Administration	1,291,218	0	162,253
Fiscal	521,358	0	0
Operation and Maintenance of Plant	1,842,924	2,455	0
Pupil Transportation	1,010,008	0	24,450
Central	7,563	0	0
Operation of Non-Instructional Services:			
Food Services	900,462	260,757	431,883
Other	43,420	0	0
Extracurricular Activities	514,390	165,503	6,938
Interest and Fiscal Charges	415,770	0	0
<i>Total Governmental Activities</i>	<u>\$20,474,592</u>	<u>\$997,744</u>	<u>\$2,502,358</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Payments in Lieu of Taxes

Investment Earnings

Unrestricted Gifts and Donations

Miscellaneous

*Total General Revenues*

Change in Net Assets

*Net Assets at Beginning of Year*

*Net Assets at End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets	
Capital Grants and Contributions	Governmental Activities
\$21,248	(\$8,633,043)
0	(509,481)
0	(123,203)
0	(947,795)
0	(1,191,571)
0	(55,275)
0	(1,128,965)
0	(521,358)
0	(1,840,469)
0	(985,558)
0	(7,563)
0	(207,822)
0	(43,420)
8,000	(333,949)
0	(415,770)
<u>\$29,248</u>	<u>(16,945,242)</u>

4,099,379  
685,410  
78,013  
10,556,430  
162,912  
112,719  
5,310  
120,852

15,821,025

(1,124,217)

43,812,341

\$42,688,124

**Waverly City School District**

*Balance Sheet  
Governmental Funds  
June 30, 2006*

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$3,289,098	\$462,507	\$1,343,883	\$5,095,488
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	57,076	0	0	57,076
Cash and Cash Equivalents with Escrow Agents	0	0	7,963	7,963
Receivables:				
Taxes	4,270,355	724,865	81,831	5,077,051
Accounts	79,508	0	0	79,508
Intergovernmental	0	0	123,425	123,425
Accrued Interest	1,808	0	0	1,808
Interfund Receivable	28,670	0	0	28,670
Prepaid Items	9,684	0	713	10,397
Materials and Supplies Inventory	0	0	9,708	9,708
<i>Total Assets</i>	<u>\$7,736,199</u>	<u>\$1,187,372</u>	<u>\$1,567,523</u>	<u>\$10,491,094</u>
<b><u>Liabilities and Fund Balances:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$48,869	\$0	\$57,171	\$106,040
Contracts Payable	10,440	0	19,249	29,689
Accrued Wages	1,150,165	0	286,958	1,437,123
Retainage Payable	0	0	7,963	7,963
Interfund Payable	0	0	28,670	28,670
Intergovernmental Payable	393,287	0	80,314	473,601
Deferred Revenue	3,826,322	640,886	170,754	4,637,962
Undistributed Monies	202	0	0	202
<i>Total Liabilities</i>	<u>5,429,285</u>	<u>640,886</u>	<u>651,079</u>	<u>6,721,250</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	144,954	0	282,996	427,950
Reserved for Property Taxes	425,208	72,633	8,311	506,152
Reserved for Budget Stabilization	57,076	0	0	57,076
Unreserved:				
Undesignated, Reported in:				
General Fund	1,679,676	0	0	1,679,676
Special Revenue Funds	0	0	278,526	278,526
Debt Service Fund	0	473,853	0	473,853
Capital Projects Funds	0	0	346,611	346,611
<i>Total Fund Balances</i>	<u>2,306,914</u>	<u>546,486</u>	<u>916,444</u>	<u>3,769,844</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,736,199</u>	<u>\$1,187,372</u>	<u>\$1,567,523</u>	<u>\$10,491,094</u>

See accompanying notes to the basic financial statements

**Waverly City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2006*

**Total Governmental Fund Balances** \$3,769,844

*Amounts reported for governmental activities in the  
 Statement of Net Assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	848,500	
Capital assets	53,970,117	
Accumulated depreciation	(5,729,496)	
Total capital assets	49,089,121	49,089,121

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Taxes	289,996	
Intergovernmental	98,747	
	388,743	388,743

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. 103,104

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds and loans payable	(7,603,911)	
Accretion on capital appreciation bonds	(223,905)	
Premium on debt issue	(103,176)	
Accrued interest on bonds	(35,736)	
Capital leases	(1,650,000)	
Compensated absences	(1,045,960)	
Total liabilities	(10,662,688)	(10,662,688)

**Net Assets of Governmental Activities** \$42,688,124

See accompanying notes to the basic financial statements

**Waverly City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2006*

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$4,042,566	\$680,444	\$77,519	\$4,800,529
Intergovernmental	9,705,636	77,886	3,259,377	13,042,899
Interest	109,938	0	3,713	113,651
Tuition and Fees	537,463	0	31,566	569,029
Extracurricular Activities	0	0	165,503	165,503
Customer Services	0	0	260,757	260,757
Rent	2,455	0	0	2,455
Gifts and Donations	11,355	0	8,893	20,248
Payment in Lieu of Taxes	242,912	0	0	242,912
Miscellaneous	30,530	0	90,322	120,852
<b>Total Revenues</b>	<b>14,682,855</b>	<b>758,330</b>	<b>3,897,650</b>	<b>19,338,835</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	7,184,006	0	1,084,738	8,268,744
Special	861,681	0	480,984	1,342,665
Vocational	143,286	0	0	143,286
Support Services:				
Pupils	839,679	0	39,447	879,126
Instructional Staff	624,455	0	554,369	1,178,824
Board of Education	55,275	0	0	55,275
Administration	953,695	0	181,168	1,134,863
Fiscal	450,995	26,969	3,093	481,057
Operation and Maintenance of Plant	1,765,225	0	72,530	1,837,755
Pupil Transportation	1,040,057	0	940	1,040,997
Central	7,563	0	0	7,563
Operation of Non-Instructional Services:				
Food Services	5,346	0	731,308	736,654
Other	0	0	43,420	43,420
Extracurricular Activities	298,532	0	198,431	496,963
Capital Outlay	75,184	0	867,613	942,797
Debt Service:				
Principal Retirement	2,161	329,634	0	331,795
Interest and Fiscal Charges	0	359,422	0	359,422
<b>Total Expenditures</b>	<b>14,307,140</b>	<b>716,025</b>	<b>4,258,041</b>	<b>19,281,206</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>375,715</b>	<b>42,305</b>	<b>(360,391)</b>	<b>57,629</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Capital Lease	1,650,000	0	0	1,650,000
Transfers In	0	92,353	183,981	276,334
Transfers Out	(276,334)	0	0	(276,334)
<b>Total Other Financing Sources (Uses)</b>	<b>1,373,666</b>	<b>92,353</b>	<b>183,981</b>	<b>1,650,000</b>
<b>Net Change in Fund Balances</b>	<b>1,749,381</b>	<b>134,658</b>	<b>(176,410)</b>	<b>1,707,629</b>
<b>Fund Balances at Beginning of Year</b>	<b>557,533</b>	<b>411,828</b>	<b>1,092,854</b>	<b>2,062,215</b>
<b>Fund Balances at End of Year</b>	<b>\$2,306,914</b>	<b>\$546,486</b>	<b>\$916,444</b>	<b>\$3,769,844</b>

See accompanying notes to the basic financial statements

**Waverly City School District**  
*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, 2006*

**Net Change in Fund Balances - Total Governmental Funds** \$1,707,629

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	728,530	
Depreciation expense	(2,073,724)	
Excess of capital outlay over depreciation expense		(1,345,194)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by this amount this year.

Delinquent Property Taxes	62,273	
Accounts	(80,000)	
Intergovernmental	30,199	
Interest	(932)	
		11,540

Governmental funds report premiums and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the Statement of Activities.

Accretion on capital appreciation bonds	(55,208)	
Amortization of bond issuance costs	(5,728)	
Amortization of bond premium	5,732	
		(55,204)

Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets the lease obligation is reported as a liability.

(1,650,000)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:

Loan principal retirement	74,634	
Bond principal retirement	255,000	
Capital lease payments	2,161	
Total long-term debt repayment		331,795

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the Statement of Activities is the result of the following:

Increase in accrued interest payable	(1,144)
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Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(123,639)
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**Change in Net Assets of Governmental Activities** (\$1,124,217)

See accompanying notes to the basic financial statements

**Waverly City School District**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$3,664,501	\$3,882,796	\$3,882,796	\$0
Intergovernmental	9,159,575	9,705,636	9,705,636	0
Interest	96,626	84,271	102,387	18,116
Tuition and Fees	507,224	537,463	537,463	0
Rent	2,317	2,455	2,455	0
Gifts and Donations	10,716	11,486	11,355	(131)
Payments in Lieu of Taxes	229,245	242,912	242,912	0
Miscellaneous	25,183	26,684	26,684	0
<i>Total Revenues</i>	13,695,387	14,493,703	14,511,688	17,985
<b><u>Expenditures:</u></b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	7,204,183	6,709,733	6,709,733	0
Special	866,045	781,703	781,703	0
Vocational	80,184	146,004	146,004	0
Other	437,380	504,720	504,720	0
<b>Support Services:</b>				
Pupils	948,494	830,763	830,763	0
Instructional Staff	713,063	644,107	644,107	0
Board of Education	41,731	61,454	61,454	0
Administration	1,134,276	963,867	963,867	0
Fiscal	385,541	454,743	454,743	0
Operation and Maintenance of Plant	2,063,097	1,844,282	1,844,282	0
Pupil Transportation	1,398,846	1,086,145	1,086,145	0
Central	10,660	13,057	13,057	0
Operation of Non-Instructional Services	32,003	5,346	5,346	0
Extracurricular Activities	286,444	293,279	293,279	0
Capital Outlay	1,024,160	75,184	75,184	0
<i>Total Expenditures</i>	16,626,107	14,414,387	14,414,387	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,930,720)	79,316	97,301	17,985
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Capital Lease	0	1,650,000	1,650,000	0
Refund of Prior Year Expenditures	3,630	3,846	3,846	0
Refund of Prior Year Receipts	0	(77,050)	(77,050)	0
Advances In	110,701	117,301	117,301	0
Advances Out	0	(28,671)	(28,671)	0
Transfers Out	(532,155)	(278,134)	(278,134)	0
<i>Total Other Financing Sources (Uses)</i>	(417,824)	1,387,292	1,387,292	0
<i>Net Change in Fund Balance</i>	(3,348,544)	1,466,608	1,484,593	17,985
<i>Fund Balance at Beginning of Year</i>	1,227,932	1,227,932	1,227,932	0
<i>Prior Year Encumbrances Appropriated</i>	385,709	385,709	385,709	0
<i>Fund Balance at End of Year</i>	(\$1,734,903)	\$3,080,249	\$3,098,234	\$17,985

See accompanying notes to the basic financial statements



**Waverly City School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Fund*  
*June 30, 2006*

**Assets**

Equity in Pooled Cash and Cash Equivalents	<u><u>\$22,942</u></u>
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**Liabilities**

Undistributed Monies	<u><u>\$22,942</u></u>
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See accompanying notes to the basic financial statements

**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Waverly City School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District was established in 1969 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 119 square miles. It is located in Pike County, and includes all of the City of Waverly and portions of Pebble, Pee Pee, Jackson, and Franklin Townships. It is staffed by 103 non-certificated employees, 133 certificated full-time teaching personnel and 13 administrative employees who provide services to 2,121 students and other community members. The School District currently operates four instructional buildings, one administrative building, and one garage.

*Reporting Entity:*

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Waverly City School District, this includes general operations, food service, and student related activities of the School District. The following is also included within the reporting entity:

*Parochial School* – Within the School District boundaries, Pike Christian Academy is operated as a private school. Current State legislation provides funding to this parochial school. Monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected in a special revenue fund and as part of governmental activities for financial reporting purposes.

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 board 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 that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

(continued)

The School District participates in four jointly governed organizations and two insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), the Pike County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Plan, and the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**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. The statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District, however, has no business-type activities.

**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.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The Statement of Net Assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The 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 are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting 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 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 funds of the School District fall within two categories: governmental and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the School District are financed. 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 governmental funds:

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

General Fund - The General Fund is the operating fund of the School District and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance 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 payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The School District's only fiduciary fund is an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for those student managed activities which consist of a student body, student president, student treasurer, and faculty advisor.

**C. Measurement Focus**

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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 and the financial statements of the fiduciary fund are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

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 that the resources are collectible within the current fiscal year, or are expected to be collected 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 recognized in the fiscal year for which the taxes are levied (See Note 7). 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 fiscal 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.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available for advance, grants and interest, and tuition and fees.

**Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**E. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents” on the financial statements. The School District also utilizes an escrow agent to hold retainage on construction contracts. The balances in these accounts are presented on the financial statements as “Cash and Cash Equivalents with Escrow Agents.”

During fiscal year 2006, the School District invested in the State Treasury Asset Reserve of Ohio (STAROhio), money market mutual funds, Federal Home Loan Mortgage Corporation Discount Notes, Federal National Mortgage Association Discount Notes, Federal Home Loan Bank Bonds, and Federal Home Loan Bank Discount Notes. Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund’s current share price. STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for on June 30, 2006.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2006 amounted to \$109,938, which includes \$47,230 assigned from other School District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are reported as cash equivalents.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**F. Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consist of purchased food held for resale and consumable supplies.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

**H. 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, contributors, grantors or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the Other Governmental Funds represent amounts held for retainage. Restricted assets in the General Fund are amounts required by statute to be set-aside by the School District to create a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

**I. Capital Assets**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, except land, 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:



*Waverly City School District*  
*Notes to the Basic Financial Statements*  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 - 20 years
Buildings and Improvements	10 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	10 years
Books and Educational Media	5 years

**J. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable” and “Interfund Payable.” These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

**K. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. 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 unused sick leave for classified and certified employees and administrators after 20 years of current service with the School District.

**L. 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 in the current fiscal year. Bonds, long-term loans and capital leases are recognized as a liability on the governmental fund financial statements when due.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**M. 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. Net assets restricted for other purposes include activities for food service operations, music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

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

The government-wide Statement of Net Assets reports \$1,568,752 of restricted net assets, none of which were restricted by enabling legislation.

**N. Fund Balance Reserves**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, property taxes and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set aside by statute to protect against cyclical changes in revenues and expenditures.

**O. Interfund Transactions**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**P. Bond Premiums/Issuance Costs/Compounded Interest on Capital Appreciation Bonds**

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each year for the compounded interest accrued during the year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

On the governmental fund financial statements, bond premiums, issuance costs, and compounded interest on capital appreciation bonds are recognized in the current period.

**Q. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**R. Budgetary Process**

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, 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 amounts that 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 legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund. The School District did not anticipate any activity in the Underground Storage Tank and Teacher Development Special Revenue Funds and Permanent Improvement Capital Projects Fund, and none occurred. Therefore, no budgetary statements are presented for these funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. 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 amended certificate that was in effect at the time the final appropriations were passed.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The appropriation resolution is subject to amendment by the Board throughout the fiscal 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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including all supplemental appropriations.

Prior to year-end, the School District passed a supplemental appropriation that reflected actual expenditures and encumbrances for the fiscal year.

**NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year 2006, the School District has implemented *GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries”*, *GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section”*, an amendment of NCGA Statement 1, and *GASB Statement No. 47, “Accounting for Termination Benefits.”*

*GASB Statement No. 42* establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this statement had no effect on the financial statements for fiscal year 2006.

*GASB Statement No. 44* defines the requirements for the statistical tables in the Comprehensive Annual Financial Report.

*GASB Statement No. 47* establishes accounting and financial standards for termination benefits. This statement clarifies and establishes reporting requirements for those benefits provided by employers to employees as an incentive or settlement for voluntary early termination or as a consequence of the involuntary early termination of services. The implementation of this statement had no effect on the financial statements for fiscal year 2006.

**NOTE 4 – ACCOUNTABILITY**

**A. Accountability**

At June 30, 2006, the Food Services, Preschool, Title I, and Title VI-R Nonmajor Special Revenue Funds had deficit fund balances of \$52,109, \$13,190, \$50,349, and \$11,446, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 4 – ACCOUNTABILITY** (continued)

**B. Compliance**

The General Fund had original appropriations in excess of original estimated resources plus available balances for the fiscal year ended June 30, 2006 in the amount of \$1,734,903. The Uniform School Supplies, Athletics, Education Management Information System, Ohio Reads, Reading Intervention, Miscellaneous State Grants, Title VI, and Title II-D Special Revenue Funds had original appropriations in excess of original estimated resources plus available balances for the fiscal year ended June 30, 2006 in the amount of \$650, \$13,901, \$1,185, \$17,713, \$17,556, \$1,293, \$39,070 and \$8,692, respectively. The Construction and SchoolNet Capital Projects Funds also had original appropriations in excess of original estimated resources plus available balances for the fiscal year ended June 30, 2006 in the amount of \$4,140,080 and \$32,924, respectively.

The School District will monitor budgetary controls more closely in the future to alleviate such compliance issues.

**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 is presented for the General Fund 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 that:

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 liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

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

	Net Change in Fund Balance
GAAP Basis	\$1,749,381
Adjustments:	
Revenue Accruals	(157,855)
Net Decrease in Fair Value of Investments - Fiscal Year 2005	(2,602)
Net Increase in Fair Value of Investments - Fiscal Year 2006	(6,864)
Expenditure Accruals	56,779
Encumbrances	(241,076)
Transfers	(1,800)
Advances	88,630
Budget Basis	\$1,484,593

**NOTE 6 - DEPOSITS AND INVESTMENTS**

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim monies held by the School District may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**Investments**

As of June 30, 2006, the School District had the following investments, which are in an internal investment pool:

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-2
STAROhio	\$24,042	\$24,042	\$0
First American Treasury Obligation Money Market Mutual Fund	31,271	31,271	0
Federal Home Loan Mortgage Corporation Discount Notes	527,970	527,970	0
Federal National Mortgage Association Discount Notes	393,546	393,546	0
Federal Home Loan Bank Bonds	199,250	0	199,250
Federal Home Loan Bank Discount Notes	725,066	725,066	0
Total Investments	<u>\$1,901,145</u>	<u>\$1,701,895</u>	<u>\$199,250</u>

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

Interest Rate Risk

The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk

STAROhio carries a rating of AAAm by Standard and Poor's. The First American Treasury Obligation Money Market Fund carries a rating of Aaa by Moody's. The Federal Home Loan Mortgage Corporation Discount Notes and Federal National Mortgage Association Discount Notes earn the highest credit rating for short-term investments from Moody's (P-1). The Federal Home Loan Bank Bonds and Federal Home Loan Bank Discount Notes carry ratings of Aaa by Moody's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Mortgage Corporation Discount Notes, Federal National Mortgage Association Discount Notes, Federal Home Loan Bank Bonds, and Federal Home Loan Bank Discount Notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. Of the School District's total investments, 38 percent is invested in Federal Home Loan Bank Discount Notes, 28 percent is invested in Federal Home Loan Mortgage Corporation Discount Notes, 21 percent is invested in Federal National Mortgage Association Discount Notes, and 10 percent is invested in Federal Home Loan Bank Bonds.



*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 7 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005, and are collected in 2006 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2006 (other than public utility property tax) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, however, the June 2006 tangible personal property tax from Pike County was not received until July 2006.

The School District receives property taxes from Pike and Ross Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2006, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 7 - PROPERTY TAXES** (continued)

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2006, was \$425,208 in the General Fund, \$72,633 in the Debt Service Fund, and \$8,311 in the Classroom Facilities Maintenance Special Revenue Fund. The amount available as an advance at June 30, 2005, was \$225,696 in the General Fund, \$45,564 in the Debt Service Fund, and \$5,103 in the Classroom Facilities Maintenance Special Revenue Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which fiscal year 2006 taxes were collected are:

	2005 Second- Half Collections		2006 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$125,802,970	77.25%	\$145,545,350	79.73%
Public Utility Personal	11,699,070	7.18%	11,683,260	6.40%
General Business Personal	25,359,520	15.57%	25,322,842	13.87%
Total Assessed Value	\$162,861,560	100.00%	\$182,551,452	100.00%
Tax rate per \$1,000 of assessed valuation	\$37.12		\$36.75	

**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2006, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Preschool	\$11,545
Title I	67,287
Title V	6,060
Title IV-A	6,618
Title II-A	31,915
Total Intergovernmental Receivables	\$123,425

**NOTE 9 - CAPITAL ASSETS**

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

	Ending Balance 6/30/2005	Additions	Deletions	Ending Balance 6/30/2006
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$848,500	\$0	\$0	\$848,500
Capital Assets Being Depreciated				
Land Improvements	3,337,673	359,070	0	3,696,743
Buildings and Improvements	45,498,260	138,782	0	45,637,042
Furniture and Equipment	1,606,197	130,036	0	1,736,233
Vehicles	1,863,382	100,642	0	1,964,024
Books and Educational Media	936,075	0	0	936,075
Total Capital Assets Being Depreciated	53,241,587	728,530	0	53,970,117
Less Accumulated Depreciation:				
Land Improvements	(452,757)	(167,817)	0	(620,574)
Buildings and Improvements	(1,684,302)	(1,463,092)	0	(3,147,394)
Furniture and Equipment	(230,202)	(142,404)	0	(372,606)
Vehicles	(1,210,505)	(144,399)	0	(1,354,904)
Books and Educational Media	(78,006)	(156,012)	0	(234,018)
Total Accumulated Depreciation	(3,655,772)	(2,073,724) *	0	(5,729,496)
Total Capital Assets Being Depreciated, Net	49,585,815	(1,345,194)	0	48,240,621
Governmental Activities Capital Assets, Net	\$50,434,315	(\$1,345,194)	\$0	\$49,089,121

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 9 - CAPITAL ASSETS** (continued)

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

Instruction:	
Regular	\$1,055,140
Special	139,136
Vocational	14,646
Support Services:	
Pupils	77,878
Instructional Staff	343,818
Administration	118,720
Fiscal	29,292
Operation and Maintenance of Plant	329
Pupil Transportation	153,076
Operation of Non-Instruction Services:	
Food Services	124,262
Extracurricular Activities	17,427
Total Depreciation Expense	<u>\$2,073,724</u>

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (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 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org).

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005, and 2004, were \$239,067, \$246,778, and \$191,188, respectively; 45.80 percent has been contributed for fiscal year 2006 and 100 percent for the fiscal years 2005 and 2004.

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**B. State Teachers Retirement System of Ohio**

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 East Broad Street, Columbus, Ohio 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio website at [www.strsoh.org](http://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 divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 20, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004, were \$1,022,231, \$1,005,346 and \$908,167, respectively; 82.54 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$6,906 made by the School District and \$10,427 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2006, one member of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages paid.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

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

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$78,663 for fiscal year 2006.

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

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 11 - POSTEMPLOYMENT BENEFITS** (continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$114,491.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available), were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

**NOTE 12 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 220 days for all certified and classified personnel. Upon retirement, payment is made to certified employees for 30 percent of accrued but unused sick leave. Classified employees receive 40 percent of accrued but unused sick leave up to a maximum of 55 days. Classified employees also receive an amount equal to 10 percent of accumulated sick leave days over 75.

**B. Insurance Benefits**

Medical/surgical and prescription drug insurance is offered to employees through United Health Care. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. Dental insurance is provided by Coresource.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 12 - EMPLOYEE BENEFITS** (continued)

The School District provides life insurance and accidental death and dismemberment insurance to employees through CoreSource.

**C. Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**NOTE 13 - LEASES - LESSEE DISCLOSURE**

In prior years, the School District entered into a lease for duplicating equipment. The lease met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. The School District made the final payment on the lease during fiscal year 2006.

During the fiscal year, the School District entered into a lease-purchase agreement for the locally funded portion of the new School District buildings which was primarily related to the construction of an auditorium. The School District is leasing the project from Central Ohio Loan Services, Inc. Central Ohio Loan Services, Inc. will retain title to the project during the lease term. As part of the lease agreement, Central Ohio Loan Services, Inc. deposited \$1,650,000 in the School District's bank account. The School District had previously paid all contractors as work progressed, and the proceeds of the lease were used to replenish these monies. At fiscal year-end, the auditorium has been capitalized as buildings and improvements in the amount of \$1,650,000. A liability of \$1,650,000 was recorded on the Statement of Net Assets for governmental activities. The School District will make its first interest-only payment on March 1, 2007. The first principal and interest payment is due March 1, 2008.

The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Auditorium	<u>\$1,650,000</u>	<u>\$66,000</u>	<u>\$1,584,000</u>



**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 13 - LEASES - LESSEE DISCLOSURE** (continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2006.

Fiscal Year Ending June 30,	Total Payments
2007	\$74,250
2008	131,022
2009	131,022
2010	131,022
2011	131,022
2012-2016	655,110
2017-2021	655,110
2022-2026	655,112
Total	2,563,670
Less: Amount Representing Interest	(913,670)
Present Value of Net Minimum Lease Payments	\$1,650,000

The School District also leases computer equipment under a noncancelable operating lease. Operating lease payments are reported as function expenditures in governmental funds and on budgetary statements. Total operating lease payments in 2006 totaled \$86,444 in the General Fund.

The following is a schedule of the future minimum lease payments:

Fiscal Year Ending June 30,	Total Payments
2007	\$86,444
2008	86,444
2009	86,444
Total	\$259,332

**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

**NOTE 14 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2006 were as follows:

	Amount Outstanding 6/30/05	Additions	Deductions	Amount Outstanding 6/30/06	Amounts Due in One Year
<u>Governmental Activities:</u>					
1998 Energy Conservation Loan - 4.35%	\$407,639	\$0	\$74,634	\$333,005	\$77,574
General Obligation Bonds:					
2001 Classroom Facilities:					
Term Bonds 5.10%	1,200,000	0	0	1,200,000	0
Serial Bonds 4.00 to 5.10%	6,050,000	0	255,000	5,795,000	0
Capital Appreciation Bonds 12.26%	275,906	0	0	275,906	146,151
Accretion on Capital Appreciation Bonds	168,697	55,208	0	223,905	0
Premium on Debt Issue	108,908	0	5,732	103,176	0
Compensated Absences	922,321	196,109	72,470	1,045,960	85,182
Capital Leases	2,161	1,650,000	2,161	1,650,000	0
Total Governmental Activities Long-Term Obligations	<u>\$9,135,632</u>	<u>\$1,901,317</u>	<u>\$409,997</u>	<u>\$10,626,952</u>	<u>\$308,907</u>

1998 Energy Conservation Loan

On December 1, 1998, Waverly City School District entered into a loan in the amount of \$794,000 in unvoted general obligation notes for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for an eleven year period with final maturity during fiscal year 2010. The loan will be retired by transfers from the General Fund to the Debt Service Fund. It is anticipated that the savings over eleven years will offset the costs.

2001 Classroom Facilities General Obligation Bonds

On June 14, 2001, the School District issued \$8,085,906 in voted general obligation bonds for the purpose of constructing new classroom facilities. Current interest bonds were issued in an aggregate principal amount of \$7,810,000. Of these bonds, \$6,610,000 are serial bonds, \$1,200,000 are term bonds, and \$275,906 are capital appreciation bonds. The bonds were issued for a twenty-three year period with final maturity in December 2023. The bonds will be retired from the Debt Service Fund.

**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 14 - LONG-TERM OBLIGATIONS** (continued)

The term bonds issued at \$1,200,000 and maturing on December 1, 2023, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2022	\$585,000
2023	615,000
Total	<u><u>\$1,200,000</u></u>

The serial bonds, issued at \$6,610,000 with maturity dates of December 1, 2002 to December 1, 2021, are subject to optional redemption, in whole or in part on any date at the option of the issuer on or after December 1, 2010, at the redemption price of 100 percent.

The capital appreciation bonds, issued at \$275,906, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2007 thru 2008, with a maturity amount of \$280,000 each year. For fiscal year 2005, the capital appreciation bonds were accreted \$55,208.

As of June 30, 2006, all of the bond proceeds had been spent toward the construction project.

Compensated absences will be paid from the General, Food Services, Disadvantaged Pupil Impact Aid, and Title I Funds. Capital lease obligations will be paid from the General Fund.

The School District's overall legal debt margin was \$7,192,835 with an unvoted debt margin of \$154,636, and an Energy Conservation debt margin of \$1,058,721 at June 30, 2006.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2006, are as follows:

<u>Energy Conservation Loan - 1998</u>			
<u>Fiscal year</u>			
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$77,574	\$14,779	\$92,353
2008	81,023	11,330	92,353
2009	84,625	7,728	92,353
2010	89,783	1,518	91,301
Total	<u><u>\$333,005</u></u>	<u><u>\$35,355</u></u>	<u><u>\$368,360</u></u>

**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

**NOTE 14 - LONG-TERM OBLIGATIONS** (continued)

Classroom Facilities General Obligation Bonds - 2001

Fiscal Year	Term	Term	Serial	Serial	Capital	Capital	
Ending	Bonds	Bonds	Bonds	Bonds	Appreciation	Appreciation	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Total
2007	\$0	\$61,200	\$0	\$275,980	\$146,151	\$133,849	\$617,180
2008	0	61,200	0	276,321	129,755	150,245	617,521
2009	0	61,200	280,000	270,363	0	0	611,563
2010	0	61,200	310,000	257,553	0	0	628,753
2011	0	61,200	325,000	244,056	0	0	630,256
2012-2016	0	306,000	1,905,000	977,437	0	0	3,188,437
2017-2021	0	306,000	2,415,000	455,705	0	0	3,176,705
2022-2025	1,200,000	123,166	560,000	14,280	0	0	1,897,446
Total	<u>\$1,200,000</u>	<u>\$1,041,166</u>	<u>\$5,795,000</u>	<u>\$2,771,695</u>	<u>\$275,906</u>	<u>\$284,094</u>	<u>\$11,367,861</u>

**NOTE 15 - RISK MANAGEMENT**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The School District, along with other school districts in Ohio, participates in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 18).

The types and amounts of coverage provided by the Ohio School Plan are as follows:

Building and Business Personal Property Coverage	\$42,572,359
Equipment Breakdown (Boiler/Machinery) Coverage (\$1,000 deductible)	42,177,359
Automobile Liability (\$1,000 deductible for buses; \$500 for other)	2,000,000

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 15 - RISK MANAGEMENT** (continued)

General Liability:	
Aggregate Limit	\$3,000,000
Bodily Injury and Property Damage Limit - Each Occurrence and Sexual Abuse Injury Limit - Each Offense	1,000,000
Personal and Advertising Injury Limit - Each Offense	1,000,000
Medical Expense Limit - Per Person/Accident	10,000
- Each Accident	10,000
Fire Damage Limit - Any One Event	500,000
Products - Completed Operations Limit	1,000,000
Employer's Liability:	
Bodily Injury - Each Accident	1,000,000
Bodily Injury - Endorsement Limit	1,000,000
Bodily Injury by Disease - Each Employee	1,000,000
Employee Benefits Liability:	
Per Claim	1,000,000
Aggregate Limit	3,000,000
Educational Legal Liability:	
Errors and Omissions Injury Limit (\$2,500 deductible)	1,000,000
Errors and Omissions Aggregate Limit	2,000,000
Employment Practices Injury Limit (\$2,500 deductible)	1,000,000
Defense Costs Cap	1,000,000
Defense Costs Aggregate Cap	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from the prior year.

The Cincinnati Insurance Company maintains a \$100,000 public official bond for the Treasurer, position bonds of \$20,000 each for the Superintendent and Board President, and a \$5,000 blanket bond for other employees.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 15 - RISK MANAGEMENT** (continued)

**B. Workers' Compensation**

For fiscal year 2006, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. 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 GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP 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 GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the GRP.

**NOTE 16 - INTERFUND ACTIVITY**

Transfers made during the fiscal year ended June 30, 2006, were as follows:

		Transfer From
Transfer To		General
Debt Service		\$92,353
Other Governmental Funds		183,981
Total		\$276,334

Transfers were made to make annual loan debt service payments and to move unrestricted balances to support programs and projects accounted for in other funds.

As of June 30, 2006, receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
Payable		General
Other Governmental Funds		\$28,670

The amounts due to the General Fund are the result of the School District moving unrestricted balances to support programs and projects accounted for in other funds. The General Fund will be reimbursed when funds become available in the special revenue funds.

**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS**

**A. South Central Ohio Computer Association**

The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, Vinton, Jackson and Lawrence Counties. 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 school districts. The governing body of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, and a representative of the fiscal agent. The School District paid SCOCA \$27,438 for services provided during the year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

**B. Pike County Joint Vocational School**

The Pike County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of the Pike County Board of Education and one representative from the Waverly City Schools Board of Education, which possesses its own budgeting and taxing authority. To obtain financial information write to the Pike County Joint Vocational School, Tonya Cooper, who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

**C. Coalition of Rural and Appalachian Schools**

The Coalition of Rural and Appalachian Schools is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county.

The Coalition provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District paid \$300 to the Coalition for services provided during the year.

**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS** (continued)

**D. Pilasco-Ross Special Education Regional Resource Center**

The Pilasco-Ross Special Education Regional Resource Center (SERRC) is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly governed organization was formed for the purpose of initiating, expanding, and improving special education programs and services for children with disabilities and their parents.

The SERRC is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of county boards of MR/DD, joint vocational schools, Shawnee State University, and Ross-Pike, Lawrence and South Central Ohio Educational Service Centers, whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. The fiscal agent for the SERRC is Dawson-Bryant Local School District. Financial information can be obtained by contacting Gary Dutey, Director of Pilasco-Ross, at the South Central Ohio Educational Service Center at 411 Court Street, Portsmouth, Ohio 45662.

**NOTE 18 - INSURANCE PURCHASING POOLS**

**A. Ohio School Plan**

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Schuett Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Schuett Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

**B. Ohio Association of School Business Officials Workers' Compensation Group Rating Plan**

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group insurance purchasing pool.

The GRP's business and affairs are conducted by a five member Board of Directors. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.



**Waverly City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 19 - SET-ASIDE CALCULATIONS**

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition or construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

The School District is no longer required to set aside funds in the budget reserve, with the exception of monies received from the Bureau of Workers' Compensation prior to April 10, 2001, which must be retained for budget stabilization or spent for specified purposes.

The following cash-basis information describes the change in the fiscal year-end set-aside amounts. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2005	(\$1,204,397)	\$0	\$57,076
Current Year Set-aside Requirement	298,611	298,611	0
Current Year Offsets	0	(82,821)	0
Qualifying Disbursements	(224,580)	(321,144)	0
Totals	<u>(\$1,130,366)</u>	<u>(\$105,354)</u>	<u>\$57,076</u>
Set-aside Reserve Balance as of June 30, 2006	<u>\$0</u>	<u>\$0</u>	<u>\$57,076</u>
Required Set-aside Balances Carried Forward to FY 2007	<u>(\$1,130,366)</u>	<u>\$0</u>	<u>\$57,076</u>

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to below zero for textbooks and capital acquisitions, only the amount for the textbooks set-aside may be used to reduce the set-aside requirement of future years. The capital acquisition negative amount is therefore not presented as being carried forward to the next fiscal year.

**NOTE 20 - CONTINGENCIES**

**A. Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2006.

*Waverly City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**NOTE 20 – CONTINGENCIES** (continued)

**B. Litigation**

The School District is not currently party to any legal proceedings.

**NOTE 21 – SUBSEQUENT EVENT**

On December 15, 2006, the School District issued \$5,739,992 in General Obligation Bonds for the purpose of refunding the 2001 Classroom Facilities General Obligation Bonds. The bonds consisted of \$5,380,000 in four percent current interest bonds and \$359,992 in 13.786 percent capital appreciation bonds. The bond issue matures December 1, 2023.

Waverly City School District

Combining and Individual Fund Statements and Schedules

*Waverly City School District*

*Fund Descriptions*

*Special Revenue Funds*

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

*Nonmajor Special Revenue Funds*

**FOOD SERVICES**

To account for all transactions related to the provision of food service operations for the School District.

**UNIFORM SCHOOL SUPPLIES**

To account for the purchase and reimbursement of consumable supplies (workbooks) used by the students as a supplemental learning tool.

**PUBLIC SCHOOL SUPPORT**

To account for local revenue sources such as vending machine receipts. Revenues are used to fund special events and purchase achievement awards.

**LATCHKEY**

A fund established to account for the tuition received and expenses made in securing an after-school latchkey program for students of the School District.

**UNDERGROUND STORAGE TANK**

A fund established to hold the mandated amount for school districts who have underground storage tanks on their property. The School District did not anticipate any activity in this fund, and none occurred. Therefore, no budgetary statement is presented.

**CLASSROOM FACILITIES MAINTENANCE**

To account for property tax revenues that are restricted to expenditures for the maintenance and upkeep of School District classroom facilities.

**ATHLETICS**

A fund provided to account for those student activity programs which charge admission. Most expenditures include referee and security compensation, equipment and supplies needed to run a successful athletic program.

*(continued)*

*Waverly City School District*

*Fund Descriptions*

*Nonmajor Special Revenue Funds (Continued)*

**AUXILIARY SERVICES**

To account for monies which provide services and materials to pupils attending non-public schools within the School District.

**TEACHER DEVELOPMENT**

To account for assistance provided to local school districts for the development of in-service programs. The School District did not anticipate any activity in this fund, and none occurred. Therefore, no budgetary statement is presented.

**EDUCATION MANAGEMENT INFORMATION SYSTEMS**

To account for hardware and software development, utilities, materials and supplies, or other costs associated with the requirements of the management information system.

**PRESCHOOL**

A fund to account for the monies received from the State to assist in paying the costs of preschool programs for three and four-year-olds.

**ONENET**

A fund used to account for monies appropriated for Ohio Educational Computer Network Connections.

**SCHOOLNET PROFESSIONAL DEVELOPMENT**

To account for grant monies to be used for the provision of hardware, software, telecommunication services, and staff development to support educational uses of technology in the classroom.

**OHIO READS**

To account for grant monies used to purchase the HOSTS (Help One Student To Succeed) research-based, structured mentoring program in reading and the language arts.

**READING INTERVENTION**

To account for State monies and expenditures for educational programs for children in grades one through four to assist in adequate preparation for the reading portion of the fourth grade proficiency exam.

**ALTERNATIVE EDUCATION**

To account for grant monies to serve students who are on suspension from school, truant, serving expulsions, court placed or those with a history of class disruption.

*(continued)*

*Waverly City School District*

*Fund Descriptions*

*Nonmajor Special Revenue Funds (Continued)*

**POVERTY BASED ASSISTANCE**

To account for monies which are provided for the improvement of the educational and cultural status of disadvantaged pupils.

**MISCELLANEOUS STATE GRANTS**

This fund accounts for various monies received from State agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

**TITLE VI-B**

This fund accounts for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

**TITLE I**

To account for federal funds expended for services provided to meet special educational needs of educationally deprived children.

**TITLE VI**

To account for federal funds used to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

**DRUG FREE SCHOOLS**

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

**TITLE VI-R**

To account for federal funds used to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

**TITLE II-D**

To account for federal funds used to provide programs of professional development and to purchase equipment to enhance the technology of the School District.

*Waverly City School District*

*Fund Descriptions*

*Capital Projects 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 or additions to existing buildings, and for major renovation projects, including equipment purchases. The following are descriptions of the School District's nonmajor capital projects funds:

*Nonmajor Capital Projects Funds*

**PERMANENT IMPROVEMENT**

To account for all transactions relating to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code. The School District did not anticipate any activity in this fund, and none occurred. Therefore, no budgetary statement is presented.

**CONSTRUCTION**

To account for all intergovernmental monies, debt proceeds and interest received and expended in connection with the contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of new classroom facilities.

**SCHOOLNET**

To account for State grant monies used for the installation of wiring and the purchase of a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

*Agency Fund*

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds. Following is the description of the School District's Agency Fund:

**STUDENT MANAGED ACTIVITY**

To account for student activity programs which have student participation in the activity and have students involved in the management of the program.

**Waverly City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2006*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<hr/>	<hr/>	<hr/>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$978,023	\$365,860	\$1,343,883
Restricted Assets:			
Cash and Cash Equivalents with Escrow Agents	0	7,963	7,963
Receivables:			
Taxes	81,831	0	81,831
Intergovernmental	123,425	0	123,425
Prepaid Items	713	0	713
Materials and Supplies Inventory	9,708	0	9,708
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$1,193,700</u>	<u>\$373,823</u>	<u>\$1,567,523</u>
<b><u>Liabilities and Fund Balances:</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$57,171	\$0	\$57,171
Contracts Payable	0	19,249	19,249
Accrued Wages	286,958	0	286,958
Retainage Payable	0	7,963	7,963
Interfund Payable	28,670	0	28,670
Intergovernmental Payable	80,314	0	80,314
Deferred Revenue	170,754	0	170,754
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>623,867</u>	<u>27,212</u>	<u>651,079</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	282,996	0	282,996
Reserved for Property Taxes	8,311	0	8,311
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	278,526	0	278,526
Capital Projects Funds	0	346,611	346,611
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	<u>569,833</u>	<u>346,611</u>	<u>916,444</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,193,700</u>	<u>\$373,823</u>	<u>\$1,567,523</u>



**Waverly City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2006*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b><u>Revenues:</u></b>			
Property Taxes	\$77,519	\$0	\$77,519
Intergovernmental	2,758,880	500,497	3,259,377
Interest	0	3,713	3,713
Tuition and Fees	31,566	0	31,566
Extracurricular Activities	165,503	0	165,503
Customer Services	260,757	0	260,757
Gifts and Donations	8,893	0	8,893
Miscellaneous	90,322	0	90,322
<i>Total Revenues</i>	<u>3,393,440</u>	<u>504,210</u>	<u>3,897,650</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	1,063,490	21,248	1,084,738
Special	480,984	0	480,984
Support Services:			
Pupils	39,447	0	39,447
Instructional Staff	554,369	0	554,369
Administration	181,168	0	181,168
Fiscal	3,093	0	3,093
Operation and Maintenance of Plant	72,530	0	72,530
Pupil Transportation	940	0	940
Operation of Non-Instructional Services:			
Food Service	731,308	0	731,308
Other	43,420	0	43,420
Extracurricular Activities	198,431	0	198,431
Capital Outlay	0	867,613	867,613
<i>Total Expenditures</i>	<u>3,369,180</u>	<u>888,861</u>	<u>4,258,041</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	24,260	(384,651)	(360,391)
<b><u>Other Financing Sources:</u></b>			
Transfers In	93,981	90,000	183,981
<i>Net Change in Fund Balances</i>	118,241	(294,651)	(176,410)
<i>Fund Balances at Beginning of Year</i>	<u>451,592</u>	<u>641,262</u>	<u>1,092,854</u>
<i>Fund Balances at End of Year</i>	<u><u>\$569,833</u></u>	<u><u>\$346,611</u></u>	<u><u>\$916,444</u></u>

**Waverly City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2006*

	Food Services	Public School Support	Latchkey	Underground Storage Tank
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$47,772	\$4,670	\$11,000
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	9,708	0	0	0
<i>Total Assets</i>	<u>\$9,708</u>	<u>\$47,772</u>	<u>\$4,670</u>	<u>\$11,000</u>
<b><u>Liabilities and Fund Balances:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$536	\$0	\$0
Accrued Wages	42,288	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	19,529	0	306	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>61,817</u>	<u>536</u>	<u>306</u>	<u>0</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	0	171	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	(52,109)	47,065	4,364	11,000
<i>Total Fund Balances (Deficit)</i>	<u>(52,109)</u>	<u>47,236</u>	<u>4,364</u>	<u>11,000</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,708</u>	<u>\$47,772</u>	<u>\$4,670</u>	<u>\$11,000</u>

Classroom Facilities Maintenance	Athletics	Auxiliary Services	Teacher Development	Education Management Information Systems
\$282,335	\$53,680	\$4,813	\$666	\$7,140
81,831	0	0	0	0
0	0	0	0	0
713	0	0	0	0
0	0	0	0	0
<u>\$364,879</u>	<u>\$53,680</u>	<u>\$4,813</u>	<u>\$666</u>	<u>\$7,140</u>

\$3,406	\$15,362	\$2,132	\$0	\$0
0	0	0	0	0
0	0	0	0	0
1,987	0	225	0	0
72,007	0	0	0	0
<u>77,400</u>	<u>15,362</u>	<u>2,357</u>	<u>0</u>	<u>0</u>

6,500	417	4,610	0	6,308
8,311	0	0	0	0
272,668	37,901	(2,154)	666	832
<u>287,479</u>	<u>38,318</u>	<u>2,456</u>	<u>666</u>	<u>7,140</u>
<u>\$364,879</u>	<u>\$53,680</u>	<u>\$4,813</u>	<u>\$666</u>	<u>\$7,140</u>

(continued)

**Waverly City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2006*  
*(Continued)*

	Preschool	OneNet	SchoolNet Professional Development	Poverty Based Assistance
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$6,827	\$12,000	\$2,046	\$327,428
Receivables:				
Taxes	0	0	0	0
Intergovernmental	11,545	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$18,372</u>	<u>\$12,000</u>	<u>\$2,046</u>	<u>\$327,428</u>
<b><u>Liabilities and Fund Balances:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$0	\$1,029	\$0
Accrued Wages	16,609	0	0	104,404
Interfund Payable	0	0	0	0
Intergovernmental Payable	3,408	0	0	22,493
Deferred Revenue	11,545	0	0	0
<i>Total Liabilities</i>	<u>31,562</u>	<u>0</u>	<u>1,029</u>	<u>126,897</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	0	12,000	68	151,631
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	(13,190)	0	949	48,900
<i>Total Fund Balances (Deficit)</i>	<u>(13,190)</u>	<u>12,000</u>	<u>1,017</u>	<u>200,531</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$18,372</u>	<u>\$12,000</u>	<u>\$2,046</u>	<u>\$327,428</u>

Miscellaneous State Grants	Title VI-B	Title I	Title VI	Drug Free Schools
\$755	\$174,033	\$26,356	\$6,992	\$8,576
0	0	0	0	0
0	0	67,287	6,060	6,618
0	0	0	0	0
0	0	0	0	0
<u>\$755</u>	<u>\$174,033</u>	<u>\$93,643</u>	<u>\$13,052</u>	<u>\$15,194</u>
\$0	\$33,772	\$0	\$0	\$0
0	45,562	60,868	0	0
0	0	0	6,060	6,618
0	13,624	15,837	0	0
0	0	67,287	6,060	6,618
<u>0</u>	<u>92,958</u>	<u>143,992</u>	<u>12,120</u>	<u>13,236</u>
0	66,759	19,221	6,734	8,577
0	0	0	0	0
755	14,316	(69,570)	(5,802)	(6,619)
<u>755</u>	<u>81,075</u>	<u>(50,349)</u>	<u>932</u>	<u>1,958</u>
<u>\$755</u>	<u>\$174,033</u>	<u>\$93,643</u>	<u>\$13,052</u>	<u>\$15,194</u>

(continued)

**Waverly City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2006*  
*(Continued)*

	Title VI-R	Title II-D	Total Nonmajor Special Revenue Funds
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$934	\$978,023
Receivables:			
Taxes	0	0	81,831
Intergovernmental	31,915	0	123,425
Prepaid Items	0	0	713
Materials and Supplies Inventory	0	0	9,708
<i>Total Assets</i>	<u>\$31,915</u>	<u>\$934</u>	<u>\$1,193,700</u>
<b><u>Liabilities and Fund Balances:</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$0	\$934	\$57,171
Accrued Wages	17,227	0	286,958
Interfund Payable	15,992	0	28,670
Intergovernmental Payable	2,905	0	80,314
Deferred Revenue	7,237	0	170,754
<i>Total Liabilities</i>	<u>43,361</u>	<u>934</u>	<u>623,867</u>
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	0	0	282,996
Reserved for Property Taxes	0	0	8,311
Unreserved, Undesignated (Deficit)	(11,446)	0	278,526
<i>Total Fund Balances (Deficit)</i>	<u>(11,446)</u>	<u>0</u>	<u>569,833</u>
 <i>Total Liabilities and Fund Balances</i>	 <u>\$31,915</u>	 <u>\$934</u>	 <u>\$1,193,700</u>

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**Waverly City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2006*

	Food Services	Uniform School Supplies	Public School Support	Latchkey
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	390,732	0	0	0
Tuition and Fees	0	5,826	0	25,740
Extracurricular Activities	0	0	0	0
Customer Services	260,757	0	0	0
Gifts and Donations	0	0	1,955	0
Miscellaneous	0	0	51,580	0
<i>Total Revenues</i>	<u>651,489</u>	<u>5,826</u>	<u>53,535</u>	<u>25,740</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	24,861	4,743	0
Special	0	0	1,062	0
Support Services:				
Pupils	0	0	8,145	4,254
Instructional Staff	0	0	1,822	15,892
Administration	0	0	27,989	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	462	0
Operation of Non-Instructional Services:				
Food Service	731,308	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	4,361	0
<i>Total Expenditures</i>	<u>731,308</u>	<u>24,861</u>	<u>48,584</u>	<u>20,146</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(79,819)	(19,035)	4,951	5,594
<b><u>Other Financing Sources:</u></b>				
Transfers In	74,946	19,035	0	0
<i>Net Change in Fund Balances</i>	(4,873)	0	4,951	5,594
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(47,236)</u>	<u>0</u>	<u>42,285</u>	<u>(1,230)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>(\$52,109)</u></u>	<u><u>\$0</u></u>	<u><u>\$47,236</u></u>	<u><u>\$4,364</u></u>



Underground Storage Tank	Classroom Facilities Maintenance	Athletics	Auxiliary Services	Teacher Development
\$0	\$77,519	\$0	\$0	\$0
0	7,900	0	41,151	0
0	0	0	0	0
0	0	165,503	0	0
0	0	0	0	0
0	0	6,938	0	0
0	0	38,742	0	0
0	85,419	211,183	41,151	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	3,093	0	0	0
0	72,530	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	43,420	0
0	0	194,070	0	0
0	75,623	194,070	43,420	0
0	9,796	17,113	(2,269)	0
0	0	0	0	0
0	9,796	17,113	(2,269)	0
11,000	277,683	21,205	4,725	666
<u>\$11,000</u>	<u>\$287,479</u>	<u>\$38,318</u>	<u>\$2,456</u>	<u>\$666</u>

(continued)

**Waverly City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2006*  
(Continued)

	Education Management Information Systems	Preschool	OneNet	SchoolNet Professional Development
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	7,140	111,230	12,000	3,925
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Customer Services	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>7,140</u>	<u>111,230</u>	<u>12,000</u>	<u>3,925</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	2,615	114,214	12,000	0
Special	0	0	0	0
Support Services:				
Pupils	4,000	0	0	0
Instructional Staff	0	14,630	0	4,601
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services:				
Food Service	0	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>6,615</u>	<u>128,844</u>	<u>12,000</u>	<u>4,601</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	525	(17,614)	0	(676)
<b><u>Other Financing Sources:</u></b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	525	(17,614)	0	(676)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>6,615</u>	<u>4,424</u>	<u>12,000</u>	<u>1,693</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$7,140</u></u>	<u><u>(\$13,190)</u></u>	<u><u>\$12,000</u></u>	<u><u>\$1,017</u></u>

<u>Ohio Reads</u>	<u>Reading Intervention</u>	<u>Alternative Education</u>	<u>Poverty Based Assistance</u>	<u>Miscellaneous State Grants</u>
\$0	\$0	\$0	\$0	\$0
3,531	12,463	40,287	940,052	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>3,531</u>	<u>12,463</u>	<u>40,287</u>	<u>940,052</u>	<u>0</u>
2,000	14,101	34,975	674,565	0
0	0	0	0	0
0	0	0	0	0
0	0	0	152,982	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>2,000</u>	<u>14,101</u>	<u>34,975</u>	<u>827,547</u>	<u>0</u>
1,531	(1,638)	5,312	112,505	0
0	0	0	0	0
1,531	(1,638)	5,312	112,505	0
<u>(1,531)</u>	<u>1,638</u>	<u>(5,312)</u>	<u>88,026</u>	<u>755</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200,531</u>	<u>\$755</u>

(continued)

**Waverly City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2006*  
(Continued)

	Title VI-B	Title I	Title VI	Drug Free Schools
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	578,778	428,964	10,902	15,552
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Customer Services	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>578,778</u>	<u>428,964</u>	<u>10,902</u>	<u>15,552</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	0	11,574	14,999
Special	264,677	215,245	0	0
Support Services:				
Pupils	0	23,048	0	0
Instructional Staff	105,013	251,555	0	0
Administration	153,179	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	478	0	0
Operation of Non-Instructional Services:				
Food Service	0	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>522,869</u>	<u>490,326</u>	<u>11,574</u>	<u>14,999</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	55,909	(61,362)	(672)	553
<b><u>Other Financing Sources:</u></b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	55,909	(61,362)	(672)	553
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>25,166</u>	<u>11,013</u>	<u>1,604</u>	<u>1,405</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$81,075</u></u>	<u><u>(\$50,349)</u></u>	<u><u>\$932</u></u>	<u><u>\$1,958</u></u>

Title VI-R	Title II-D	Total Nonmajor Special Revenue Funds
\$0	\$0	\$77,519
135,923	18,350	2,758,880
0	0	31,566
0	0	165,503
0	0	260,757
0	0	8,893
0	0	90,322
<u>135,923</u>	<u>18,350</u>	<u>3,393,440</u>
136,619	16,224	1,063,490
0	0	480,984
0	0	39,447
5,521	2,353	554,369
0	0	181,168
0	0	3,093
0	0	72,530
0	0	940
0	0	731,308
0	0	43,420
0	0	198,431
<u>142,140</u>	<u>18,577</u>	<u>3,369,180</u>
(6,217)	(227)	24,260
0	0	93,981
(6,217)	(227)	118,241
<u>(5,229)</u>	<u>227</u>	<u>451,592</u>
<u>(\$11,446)</u>	<u>\$0</u>	<u>\$569,833</u>

**Waverly City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2006*

	Permanent Improvement	Construction	Total Nonmajor Capital Projects Funds
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$8,747	\$357,113	\$365,860
Restricted Assets:			
Equity in Pooled Cash and Cash with Escrow Agents	0	7,963	7,963
<i>Total Assets</i>	\$8,747	\$365,076	\$373,823
<b><u>Liabilities and Fund Balances:</u></b>			
<b><u>Liabilities:</u></b>			
Contracts Payable	\$0	\$19,249	\$19,249
Retainage Payable	0	7,963	7,963
<i>Total Liabilities</i>	0	27,212	27,212
<b><u>Fund Balances:</u></b>			
Unreserved, Undesignated	8,747	337,864	346,611
<i>Total Liabilities and Fund Balances</i>	\$8,747	\$365,076	\$373,823

**Waverly City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2006*

	Permanent Improvement	Construction	SchoolNet	Total Nonmajor Capital Projects Funds
<b><u>Revenues:</u></b>				
Intergovernmental	\$0	\$479,249	\$21,248	\$500,497
Interest	0	3,713	0	3,713
<i>Total Revenues</i>	<u>0</u>	<u>482,962</u>	<u>21,248</u>	<u>504,210</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	0	21,248	21,248
Capital Outlay	0	867,613	0	867,613
<i>Total Expenditures</i>	<u>0</u>	<u>867,613</u>	<u>21,248</u>	<u>888,861</u>
<i>Excess of Revenues Under Expenditures</i>	0	(384,651)	0	(384,651)
<b><u>Other Financing Sources:</u></b>				
Transfers In	0	90,000	0	90,000
<i>Net Change in Fund Balances</i>	0	(294,651)	0	(294,651)
<i>Fund Balances at Beginning of Year</i>	<u>8,747</u>	<u>632,515</u>	<u>0</u>	<u>641,262</u>
<i>Fund Balances at End of Year</i>	<u><u>\$8,747</u></u>	<u><u>\$337,864</u></u>	<u><u>\$0</u></u>	<u><u>\$346,611</u></u>

**Waverly City School District**  
*Statement of Changes in Fiduciary Assets and Liabilities*  
 Agency Fund  
 For the Fiscal Year Ended June 30, 2006

	<u>Balance at</u> <u>6/30/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/06</u>
<b><u>STUDENT MANAGED ACTIVITY</u></b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$20,579</u>	<u>\$33,642</u>	<u>\$31,279</u>	<u>\$22,942</u>
<b><u>Liabilities:</u></b>				
Undistributed Monies	<u>\$20,579</u>	<u>\$33,642</u>	<u>\$31,279</u>	<u>\$22,942</u>



Waverly City School District

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

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$3,664,501	\$3,882,796	\$3,882,796	\$0
Intergovernmental	9,159,575	9,705,636	9,705,636	0
Interest	96,626	84,271	102,387	18,116
Tuition and Fees	507,224	537,463	537,463	0
Rent	2,317	2,455	2,455	0
Gifts and Donations	10,716	11,486	11,355	(131)
Payments in Lieu of Taxes	229,245	242,912	242,912	0
Miscellaneous	25,183	26,684	26,684	0
<b>Total Revenues</b>	<b>13,695,387</b>	<b>14,493,703</b>	<b>14,511,688</b>	<b>17,985</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,743,441	4,706,457	4,706,457	0
Fringe Benefits	1,401,451	1,549,664	1,549,664	0
Purchased Services	281,532	255,066	255,066	0
Materials and Supplies	455,633	172,617	172,617	0
Capital Outlay - New	319,483	19,913	19,913	0
Other	2,643	6,016	6,016	0
<b>Total Regular</b>	<b>7,204,183</b>	<b>6,709,733</b>	<b>6,709,733</b>	<b>0</b>
Special:				
Salaries and Wages	605,788	522,272	522,272	0
Fringe Benefits	158,994	155,017	155,017	0
Purchased Services	85,857	94,247	94,247	0
Materials and Supplies	11,008	7,914	7,914	0
Capital Outlay - New	3,702	1,503	1,503	0
Other	696	750	750	0
<b>Total Special</b>	<b>866,045</b>	<b>781,703</b>	<b>781,703</b>	<b>0</b>
Vocational:				
Salaries and Wages	58,352	92,765	92,765	0
Fringe Benefits	16,951	30,544	30,544	0
Purchased Services	300	889	889	0
Materials and Supplies	4,501	12,902	12,902	0
Capital Outlay - New	0	8,828	8,828	0
Other	80	76	76	0
<b>Total Vocational</b>	<b>80,184</b>	<b>146,004</b>	<b>146,004</b>	<b>0</b>
Other:				
Purchased Services	437,380	504,720	504,720	0
<b>Total Instruction</b>	<b>\$8,587,792</b>	<b>\$8,142,160</b>	<b>\$8,142,160</b>	<b>\$0</b>

*(continued)*

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2006*  
*(Continued)*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupils:				
Salaries and Wages	\$489,532	\$452,501	\$452,501	\$0
Fringe Benefits	137,775	137,433	137,433	0
Purchased Services	302,557	233,267	233,267	0
Materials and Supplies	10,477	5,667	5,667	0
Capital Outlay - New	7,868	1,257	1,257	0
Other	285	638	638	0
Total Pupils	<u>948,494</u>	<u>830,763</u>	<u>830,763</u>	<u>0</u>
Instructional Staff:				
Salaries and Wages	465,119	418,345	418,345	0
Fringe Benefits	203,499	188,246	188,246	0
Purchased Services	17,609	14,660	14,660	0
Materials and Supplies	25,288	16,031	16,031	0
Capital Outlay - New	755	6,033	6,033	0
Capital Outlay - Replacement	0	221	221	0
Other	793	571	571	0
Total Instructional Staff	<u>713,063</u>	<u>644,107</u>	<u>644,107</u>	<u>0</u>
Board of Education:				
Salaries and Wages	10,160	8,560	8,560	0
Fringe Benefits	2,406	2,176	2,176	0
Purchased Services	6,103	9,902	9,902	0
Materials and Supplies	1,729	5,755	5,755	0
Capital Outlay - New	0	555	555	0
Other	21,333	34,506	34,506	0
Total Board of Education	<u>41,731</u>	<u>61,454</u>	<u>61,454</u>	<u>0</u>
Administration:				
Salaries and Wages	737,523	635,212	635,212	0
Fringe Benefits	227,276	207,427	207,427	0
Purchased Services	136,139	92,827	92,827	0
Materials and Supplies	25,428	17,794	17,794	0
Capital Outlay - New	3,990	6,655	6,655	0
Other	3,920	3,952	3,952	0
Total Administration	<u>1,134,276</u>	<u>963,867</u>	<u>963,867</u>	<u>0</u>
Fiscal:				
Salaries and Wages	143,607	147,847	147,847	0
Fringe Benefits	61,365	61,582	61,582	0
Purchased Services	23,325	26,438	26,438	0
Materials and Supplies	4,680	4,408	4,408	0
Capital Outlay - New	884	8,948	8,948	0
Other	151,680	205,520	205,520	0
Total Fiscal	<u>\$385,541</u>	<u>\$454,743</u>	<u>\$454,743</u>	<u>\$0</u>

*(continued)*

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2006*  
*(Continued)*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	\$517,268	\$527,946	\$527,946	\$0
Fringe Benefits	225,104	234,453	234,453	0
Purchased Services	993,911	886,979	886,979	0
Materials and Supplies	171,264	155,905	155,905	0
Capital Outlay - New	153,233	11,568	11,568	0
Other	2,317	27,431	27,431	0
<b>Total Operation and Maintenance of Plant</b>	<u>2,063,097</u>	<u>1,844,282</u>	<u>1,844,282</u>	<u>0</u>
<b>Pupil Transportation:</b>				
Salaries and Wages	423,448	471,896	471,896	0
Fringe Benefits	272,278	301,899	301,899	0
Purchased Services	59,329	62,099	62,099	0
Materials and Supplies	172,135	225,309	225,309	0
Capital Outlay - New	14,943	9,828	9,828	0
Capital Outlay - Replacement	456,469	0	0	0
Other	244	15,114	15,114	0
<b>Total Pupil Transportation</b>	<u>1,398,846</u>	<u>1,086,145</u>	<u>1,086,145</u>	<u>0</u>
<b>Central:</b>				
Purchased Services	10,660	13,057	13,057	0
<b>Total Support Services</b>	<u>6,695,708</u>	<u>5,898,418</u>	<u>5,898,418</u>	<u>0</u>
<b>Operation of Non-Instructional Services:</b>				
<b>Food Service Operations:</b>				
Salaries and Wages	826	1,615	1,615	0
Fringe Benefits	114	268	268	0
Materials and Supplies	2,160	3,153	3,153	0
Capital Outlay - New	28,903	310	310	0
<b>Total Operation of Non-Instructional Services</b>	<u>32,003</u>	<u>5,346</u>	<u>5,346</u>	<u>0</u>
<b>Extracurricular Activities:</b>				
<b>Academic and Subject Oriented Activities:</b>				
Salaries and Wages	26,270	30,331	30,331	0
Fringe Benefits	2,543	4,522	4,522	0
Purchased Services	275	275	275	0
Materials and Supplies	216	336	336	0
<b>Total Academic and Subject Oriented Activities</b>	<u>29,304</u>	<u>35,464</u>	<u>35,464</u>	<u>0</u>
<b>Sports Oriented Activities:</b>				
Salaries and Wages	178,205	179,865	179,865	0
Fringe Benefits	33,897	33,554	33,554	0
Purchased Services	11,134	29,167	29,167	0
Materials and Supplies	670	173	173	0
Capital Outlay - New	16,125	286	286	0
Other	19	37	37	0
<b>Total Sports Oriented Activities</b>	<u>\$240,050</u>	<u>\$243,082</u>	<u>\$243,082</u>	<u>\$0</u>

*(continued)*

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2006*  
*(Continued)*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
School and Public Service Activities:				
Salaries and Wages	\$14,920	\$12,709	\$12,709	\$0
Fringe Benefits	2,170	2,024	2,024	0
Total School and Public Service Activities	17,090	14,733	14,733	0
Total Extracurricular Activities	286,444	293,279	293,279	0
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Improvement Services:				
Capital Outlay - New	992,661	0	0	0
Total Site Improvement Services	992,661	0	0	0
Building Acquisition and Construction Services:				
Purchased Services	7,478	0	0	0
Capital Outlay - New	22,713	12,743	12,743	0
Other	78	0	0	0
Total Building Acquisition and Construction Services	30,269	12,743	12,743	0
Building Improvement Services:				
Purchased Services	1,230	35,050	35,050	0
Capital Outlay - New	0	27,391	27,391	0
Total Building Improvement Services	1,230	62,441	62,441	0
Total Capital Outlay	1,024,160	75,184	75,184	0
<i>Total Expenditures</i>	16,626,107	14,414,387	14,414,387	0
Excess of Revenues Over (Under) Expenditures	(2,930,720)	79,316	97,301	17,985
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Capital Lease	0	1,650,000	1,650,000	0
Refund of Prior Year Expenditures	3,630	3,846	3,846	0
Refund of Prior Year Receipts	0	(77,050)	(77,050)	0
Advances In	110,701	117,301	117,301	0
Advances Out	0	(28,671)	(28,671)	0
Transfers Out	(532,155)	(278,134)	(278,134)	0
Total Other Financing Sources (Uses)	(417,824)	1,387,292	1,387,292	0
<i>Net Change in Fund Balance</i>	(3,348,544)	1,466,608	1,484,593	17,985
Fund Balance at Beginning of Year	1,227,932	1,227,932	1,227,932	0
Prior Year Encumbrances Appropriated	385,709	385,709	385,709	0
Fund Balance (Deficit) at End of Year	(\$1,734,903)	\$3,080,249	\$3,098,234	\$17,985

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Property Taxes	\$652,022	\$659,533	\$659,533	\$0
Intergovernmental	42,259	77,886	77,886	0
<i>Total Revenues</i>	<u>694,281</u>	<u>737,419</u>	<u>737,419</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Fiscal:				
Other	20,020	26,969	26,969	0
Debt Service:				
Principal Retirement	271,469	329,634	329,634	0
Interest and Fiscal Charges	371,691	359,422	359,422	0
Total Debt Service	<u>643,160</u>	<u>689,056</u>	<u>689,056</u>	<u>0</u>
<i>Total Expenditures</i>	<u>663,180</u>	<u>716,025</u>	<u>716,025</u>	<u>0</u>
Excess of Revenues Over Expenditures	31,101	21,394	21,394	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	50,109	92,353	92,353	0
<i>Net Change in Fund Balance</i>	81,210	113,747	113,747	0
Fund Balance at Beginning of Year	<u>348,760</u>	<u>348,760</u>	<u>348,760</u>	<u>0</u>
Fund Balance at End of Year	<u>\$429,970</u>	<u>\$462,507</u>	<u>\$462,507</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Services Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$389,217	\$400,984	\$400,984	\$0
Customer Services	253,105	260,757	260,757	0
<i>Total Revenues</i>	<u>642,322</u>	<u>661,741</u>	<u>661,741</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Operation of Non-Instructional Services:				
Food Service:				
Salaries	240,250	238,767	238,767	0
Fringe Benefits	126,536	137,091	137,091	0
Purchased Services	14,394	18,422	18,422	0
Materials and Supplies	341,247	350,014	350,014	0
Capital Outlay - New	123	0	0	0
Other	383	274	274	0
<i>Total Expenditures</i>	<u>722,933</u>	<u>744,568</u>	<u>744,568</u>	<u>0</u>
Excess of Revenues Under Expenditures	(80,611)	(82,827)	(82,827)	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	72,747	74,946	74,946	0
<i>Net Change in Fund Balance</i>	(7,864)	(7,881)	(7,881)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	7,881	7,881	7,881	0
Fund Balance at End of Year	<u>\$17</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Uniform School Supplies Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Tuition and Fees	\$3,919	\$5,826	\$5,826	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>17,372</u>	<u>24,861</u>	<u>24,861</u>	<u>0</u>
Excess of Revenues Under Expenditures	(13,453)	(19,035)	(19,035)	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	<u>12,803</u>	<u>19,035</u>	<u>19,035</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(650)	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$650)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>



**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Extracurricular Activities	\$27,843	\$28,345	\$28,345	\$0
Gifts and Donations	1,920	1,955	1,955	0
Miscellaneous	22,823	23,235	23,235	0
<i>Total Revenues</i>	<u>52,586</u>	<u>53,535</u>	<u>53,535</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Purchased Services	150	416	416	0
Materials and Supplies	14,320	4,327	4,327	0
Total Regular	14,470	4,743	4,743	0
Special:				
Purchased Services	1,456	1,062	1,062	0
Total Instruction	<u>15,926</u>	<u>5,805</u>	<u>5,805</u>	<u>0</u>
Support Services:				
Pupils:				
Purchased Services	3,342	5,513	5,513	0
Materials and Supplies	6,071	3,418	3,418	0
Capital Outlay - New	4,952	478	478	0
Total Pupils	<u>14,365</u>	<u>9,409</u>	<u>9,409</u>	<u>0</u>
Instructional Staff:				
Purchased Services	<u>\$4,855</u>	<u>\$1,822</u>	<u>\$1,822</u>	<u>\$0</u>

*(continued)*

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*  
(Continued)

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Administration:				
Purchased Services	\$58	\$0	\$0	\$0
Materials and Supplies	17,117	24,027	24,027	0
Capital Outlay - New	2,243	280	280	0
Other	1,894	4,104	4,104	0
<b>Total Administration</b>	<b>21,312</b>	<b>28,411</b>	<b>28,411</b>	<b>0</b>
Pupil Transportation:				
Purchased Services	58	462	462	0
<b>Total Support Services</b>	<b>40,590</b>	<b>40,104</b>	<b>40,104</b>	<b>0</b>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	3,691	4,791	4,791	0
<b>Total Expenditures</b>	<b>60,207</b>	<b>50,700</b>	<b>50,700</b>	<b>0</b>
<i>Net Change in Fund Balance</i>	(7,621)	2,835	2,835	0
Fund Balance at Beginning of Year	41,698	41,698	41,698	0
Prior Year Encumbrances Appropriated	2,651	2,651	2,651	0
<b>Fund Balance at End of Year</b>	<b>\$36,728</b>	<b>\$47,184</b>	<b>\$47,184</b>	<b>\$0</b>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Latchkey Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Tuition and Fees	\$21,320	\$25,740	\$25,740	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	4,338	543	543	0
Fringe Benefits	672	158	158	0
Materials and Supplies	2,396	3,542	3,542	0
Total Pupils	7,406	4,243	4,243	0
Instructional Staff:				
Salaries and Wages	12,048	13,483	13,483	0
Fringe Benefits	1,866	2,114	2,114	0
Total Instructional Staff	13,914	15,597	15,597	0
Total Support Services	21,320	19,840	19,840	0
<i>Total Expenditures</i>	21,320	19,840	19,840	0
Excess of Revenues Over Expenditures	0	5,900	5,900	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	0	(1,230)	(1,230)	0
<i>Net Change in Fund Balance</i>	0	4,670	4,670	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$4,670	\$4,670	\$0

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Classroom Facilities Maintenance Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Property Taxes	\$74,255	\$74,921	\$74,921	\$0
Intergovernmental	0	7,900	7,900	0
<i>Total Revenues</i>	<u>74,255</u>	<u>82,821</u>	<u>82,821</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Fiscal:				
Other	2,276	3,093	3,093	0
Operation and Maintenance of Plant:				
Purchased Services	20,723	63,091	63,091	0
Materials and Supplies	0	2,140	2,140	0
Capital Outlay - New	0	11,522	11,522	0
Total Operation and Maintenance of Plant	<u>20,723</u>	<u>76,753</u>	<u>76,753</u>	<u>0</u>
<i>Total Expenditures</i>	<u>22,999</u>	<u>79,846</u>	<u>79,846</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	51,256	2,975	2,975	0
Fund Balance at Beginning of Year	270,457	270,457	270,457	0
Prior Year Encumbrances Appropriated	2,403	2,403	2,403	0
Fund Balance at End of Year	<u><u>\$324,116</u></u>	<u><u>\$275,835</u></u>	<u><u>\$275,835</u></u>	<u><u>\$0</u></u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Athletics Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Extracurricular Activities	\$125,189	\$165,503	\$165,503	\$0
Gifts and Donations	5,248	6,938	6,938	0
Miscellaneous	29,305	38,742	38,742	0
<i>Total Revenues</i>	<u>159,742</u>	<u>211,183</u>	<u>211,183</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	2,496	5,166	5,166	0
Materials and Supplies	15,126	7,689	7,689	0
Other	41,655	48,854	48,854	0
Total Academic and Subject Oriented Activities	<u>59,277</u>	<u>61,709</u>	<u>61,709</u>	<u>0</u>
Sports Oriented Activities:				
Purchased Services	48,144	48,938	48,938	0
Materials and Supplies	68,723	50,567	50,567	0
Capital Outlay - New	3,852	0	0	0
Capital Outlay - Replacement	669	0	0	0
Other	15,219	34,298	34,298	0
Total Sports Oriented Activities	<u>136,607</u>	<u>133,803</u>	<u>133,803</u>	<u>0</u>
<i>Total Expenditures</i>	<u>195,884</u>	<u>195,512</u>	<u>195,512</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(36,142)	15,671	15,671	0
Fund Balance at Beginning of Year	20,120	20,120	20,120	0
Prior Year Encumbrances Appropriated	2,121	2,121	2,121	0
Fund Balance (Deficit) at End of Year	<u>(\$13,901)</u>	<u>\$37,912</u>	<u>\$37,912</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$41,322	\$41,151	\$41,151	\$0
<b><u>Expenditures:</u></b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	24,446	27,717	27,717	0
Fringe Benefits	3,823	4,358	4,358	0
Purchased Services	1,211	2,054	2,054	0
Materials and Supplies	9,808	12,842	12,842	0
Capital Outlay - New	7,791	2,552	2,552	0
<i>Total Expenditures</i>	<u>47,079</u>	<u>49,523</u>	<u>49,523</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(5,757)	(8,372)	(8,372)	0
Fund Balance at Beginning of Year	203	203	203	0
Prior Year Encumbrances Appropriated	<u>8,372</u>	<u>8,372</u>	<u>8,372</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2,818</u>	<u>\$203</u>	<u>\$203</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Education Management Information Systems Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$6,615	\$7,140	\$7,140	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Purchased Services	6,415	5,755	5,755	0
Support Services:				
Pupils:				
Salaries and Wages	8,000	8,000	8,000	0
<i>Total Expenditures</i>	14,415	13,755	13,755	0
<i>Net Change in Fund Balance</i>	(7,800)	(6,615)	(6,615)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	6,615	6,615	6,615	0
Fund Balance (Deficit) at End of Year	(\$1,185)	\$0	\$0	\$0

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$124,450	\$127,075	\$127,075	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	90,670	92,856	92,856	0
Fringe Benefits	19,849	18,542	18,542	0
Total Instruction	110,519	111,398	111,398	0
Support Services:				
Instructional Staff:				
Salaries and Wages	10,984	11,367	11,367	0
Fringe Benefits	2,964	2,206	2,206	0
Total Support Services	13,948	13,573	13,573	0
<i>Total Expenditures</i>	124,467	124,971	124,971	0
Excess of Revenues Over (Under) Expenditures	(17)	2,104	2,104	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	0	(13,745)	(13,745)	0
<i>Net Change in Fund Balance</i>	(17)	(11,641)	(11,641)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	18,469	18,469	18,469	0
Fund Balance at End of Year	\$18,452	\$6,828	\$6,828	\$0



**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*OneNet Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$12,000	\$12,000	\$12,000	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>12,000</u>	<u>24,000</u>	<u>24,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(12,000)	(12,000)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$12,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*SchoolNet Professional Development Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$4,140	\$3,925	\$3,925	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>5,645</u>	<u>6,548</u>	<u>6,548</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,505)	(2,623)	(2,623)	0
Fund Balance at Beginning of Year	1,000	1,000	1,000	0
Prior Year Encumbrances Appropriated	<u>2,723</u>	<u>2,723</u>	<u>2,723</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2,218</u>	<u>\$1,100</u>	<u>\$1,100</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Ohio Reads Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$0	\$5,631	\$5,631	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Purchased Services	13,200	0	0	0
Materials and Supplies	6,216	3,724	3,724	0
Total Instruction	19,416	3,724	3,724	0
Support Services:				
Instructional Staff:				
Purchased Services	2,021	0	0	0
<i>Total Expenditures</i>	21,437	3,724	3,724	0
Excess of Revenues Over (Under) Expenditures	(21,437)	1,907	1,907	0
<b><u>Other Financing Uses:</u></b>				
Refund of Prior Year Receipts	0	(3,631)	(3,631)	0
Advances Out	0	(2,000)	(2,000)	0
<i>Total Other Financing Uses</i>	0	(5,631)	(5,631)	0
<i>Net Change in Fund Balance</i>	(21,437)	(3,724)	(3,724)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	3,724	3,724	3,724	0
Fund Balance (Deficit) at End of Year	<u>(\$17,713)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Reading Intervention Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$41,450	\$20,592	\$20,592	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	39,617	16,608	16,608	0
Special:				
Salaries and Wages	18,700	0	0	0
Fringe Benefits	2,487	0	0	0
Total Special	21,187	0	0	0
<i>Total Expenditures</i>	60,804	16,608	16,608	0
Excess of Revenues Over (Under) Expenditures	(19,354)	3,984	3,984	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	(15,449)	(21,231)	(21,231)	0
<i>Net Change in Fund Balance</i>	(34,803)	(17,247)	(17,247)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	17,247	17,247	17,247	0
Fund Balance (Deficit) at End of Year	<u>(\$17,556)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Alternative Education Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$44,770	\$43,658	\$43,658	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	32,874	34,034	34,034	0
Fringe Benefits	9,658	5,360	5,360	0
Purchased Services	2,239	2,753	2,753	0
Total Instruction	44,771	42,147	42,147	0
Support Services:				
Administration:				
Salaries and Wages	809	0	0	0
<i>Total Expenditures</i>	45,580	42,147	42,147	0
Excess of Revenues Over (Under) Expenditures	(810)	1,511	1,511	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	0	(3,371)	(3,371)	0
<i>Net Change in Fund Balance</i>	(810)	(1,860)	(1,860)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	1,860	1,860	1,860	0
Fund Balance at End of Year	<u>\$1,050</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Poverty Based Assistance Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$516,323	\$940,052	\$940,052	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	344,678	557,937	557,937	0
Fringe Benefits	49,922	134,742	134,742	0
Total Regular	394,600	692,679	692,679	0
Other:				
Salaries and Wages	0	59,483	59,483	0
Fringe Benefits	0	18,241	18,241	0
Total Other	0	77,724	77,724	0
Total Instruction	394,600	770,403	770,403	0
Support Services:				
Instructional Staff:				
Salaries and Wages	83,671	102,960	102,960	0
Fringe Benefits	46,923	45,414	45,414	0
Total Support Services	130,594	148,374	148,374	0
<i>Total Expenditures</i>	525,194	918,777	918,777	0
<i>Net Change in Fund Balance</i>	(8,871)	21,275	21,275	0
Fund Balance at Beginning of Year	30,037	30,037	30,037	0
Prior Year Encumbrances Appropriated	124,488	124,488	124,488	0
Fund Balance at End of Year	<u>\$145,654</u>	<u>\$175,800</u>	<u>\$175,800</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous State Grants Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>	\$0	\$0	\$0	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	<u>2,048</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,048)	0	0	0
Fund Balance at Beginning of Year	<u>755</u>	<u>755</u>	<u>755</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$1,293)</u></u>	<u><u>\$755</u></u>	<u><u>\$755</u></u>	<u><u>\$0</u></u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$510,518	\$650,084	\$650,084	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	104,894	192,766	192,766	0
Fringe Benefits	16,125	42,105	42,105	0
Materials and Supplies	0	29,560	29,560	0
Capital Outlay - New	0	19,935	19,935	0
Total Instruction	121,019	284,366	284,366	0
Support Services:				
Instructional Staff:				
Salaries and Wages	38,657	59,774	59,774	0
Fringe Benefits	17,039	37,009	37,009	0
Total Instructional Staff	55,696	96,783	96,783	0
Administration:				
Salaries and Wages	87,921	105,463	105,463	0
Fringe Benefits	28,684	47,091	47,091	0
Total Administration	116,605	152,554	152,554	0
Pupil Transportation:				
Purchased Services	0	25,983	25,983	0
Total Support Services	172,301	275,320	275,320	0
<i>Total Expenditures</i>	293,320	559,686	559,686	0
Excess of Revenues Over Expenditures	217,198	90,398	90,398	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	(19,124)	(44,516)	(44,516)	0
<i>Net Change in Fund Balance</i>	198,074	45,882	45,882	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	31,299	31,299	31,299	0
Fund Balance at End of Year	\$229,373	\$77,181	\$77,181	\$0



**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$498,936	\$428,964	\$428,964	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	128,845	160,912	160,912	0
Fringe Benefits	40,844	53,224	53,224	0
Total Instruction	169,689	214,136	214,136	0
Support Services:				
Pupils:				
Salaries and Wages	13,185	15,996	15,996	0
Fringe Benefits	5,438	7,052	7,052	0
Total Pupils	18,623	23,048	23,048	0
Instructional Staff:				
Salaries and Wages	137,204	184,092	184,092	0
Fringe Benefits	59,131	80,406	80,406	0
Purchased Services	9,301	9,703	9,703	0
Total Instructional Staff	205,636	274,201	274,201	0
Administration:				
Fringe Benefits	1,834	0	0	0
Total Support Services	226,093	297,249	297,249	0
<i>Total Expenditures</i>	395,782	511,385	511,385	0
<i>Net Change in Fund Balance</i>	103,154	(82,421)	(82,421)	0
Fund Balance at Beginning of Year	84,750	84,750	84,750	0
Prior Year Encumbrances Appropriated	529	529	529	0
Fund Balance at End of Year	<u>\$188,433</u>	<u>\$2,858</u>	<u>\$2,858</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$4,328	\$10,902	\$10,902	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,574	18,308	18,308	0
Support Services:				
Pupils:				
Purchased Services	23,779	0	0	0
Instructional Staff:				
Purchased Services	492	0	0	0
Total Support Services	24,271	0	0	0
<i>Total Expenditures</i>	35,845	18,308	18,308	0
Excess of Revenues Over (Under) Expenditures	(31,517)	(7,406)	(7,406)	0
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	2,406	6,060	6,060	0
Advances Out	(21,489)	(10,229)	(10,229)	0
Transfers Out	(303)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	(19,386)	(4,169)	(4,169)	0
<i>Net Change in Fund Balance</i>	(50,903)	(11,575)	(11,575)	0
Fund Balance at Beginning of Year	259	259	259	0
Prior Year Encumbrances Appropriated	11,574	11,574	11,574	0
Fund Balance (Deficit) at End of Year	<u>(\$39,070)</u>	<u>\$258</u>	<u>\$258</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Schools Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$10,197	\$17,874	\$17,874	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	9,089	15,802	15,802	0
Fringe Benefits	437	542	542	0
Purchased Services	300	1,932	1,932	0
Materials and Supplies	5,500	5,300	5,300	0
<i>Total Expenditures</i>	<u>15,326</u>	<u>23,576</u>	<u>23,576</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(5,129)</u>	<u>(5,702)</u>	<u>(5,702)</u>	<u>0</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	3,775	6,618	6,618	0
Advances Out	(7,659)	(10,027)	(10,027)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,884)</u>	<u>(3,409)</u>	<u>(3,409)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(9,013)</u>	<u>(9,111)</u>	<u>(9,111)</u>	<u>0</u>
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>9,111</u>	<u>9,111</u>	<u>9,111</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$98</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-R Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Intergovernmental	\$128,950	\$124,116	\$124,116	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	88,830	111,034	111,034	0
Fringe Benefits	32,435	26,566	26,566	0
Total Instruction	121,265	137,600	137,600	0
Support Services:				
Instructional Staff:				
Purchased Services	5,329	5,827	5,827	0
<i>Total Expenditures</i>	126,594	143,427	143,427	0
Excess of Revenues Over (Under) Expenditures	2,356	(19,311)	(19,311)	0
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	16,615	15,992	15,992	0
Transfers Out	(1,345)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	15,270	15,992	15,992	0
<i>Net Change in Fund Balance</i>	17,626	(3,319)	(3,319)	0
Fund Balance at Beginning of Year	3,013	3,013	3,013	0
Prior Year Encumbrances Appropriated	306	306	306	0
Fund Balance at End of Year	<u>\$20,945</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title II-D Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$9,043	\$18,350	\$18,350	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	19,373	17,194	17,194	0
Support Services:				
Instructional Staff:				
Purchased Services	3,376	3,153	3,153	0
<i>Total Expenditures</i>	<u>22,749</u>	<u>20,347</u>	<u>20,347</u>	<u>0</u>
Excess of Revenues Under Expenditures	(13,706)	(1,997)	(1,997)	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	(6,303)	(9,320)	(9,320)	0
<i>Net Change in Fund Balance</i>	(20,009)	(11,317)	(11,317)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	11,317	11,317	11,317	0
Fund Balance at End of Year	<u>(\$8,692)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Construction Capital Projects Fund*  
*For the Fiscal Year Ended June 30, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,146,481	\$479,249	\$479,249	\$0
Interest	8,882	3,606	3,713	107
<i>Total Revenues</i>	<u>1,155,363</u>	<u>482,855</u>	<u>482,962</u>	<u>107</u>
<b><u>Expenditures:</u></b>				
Current:				
Operation of Non-Instructional Services:				
Services:				
Food Service Operations:				
Purchased Services	1,002	0	0	0
Capital Outlay:				
Site Improvement Services:				
Purchased Services	689,551	236,008	236,008	0
Capital Outlay - New	1,608,840	259,514	259,514	0
Total Site Improvement Services	2,298,391	495,522	495,522	0
Architecture and Engineering Services:				
Purchased Services	683,326	185,094	185,094	0
Building Acquisition and Construction Services:				
Capital Outlay - New	1,584,115	310,990	310,990	0
Building Improvement Services:				
Capital Outlay - New	1,989,684	262,053	262,053	0
Total Capital Outlay	6,555,516	1,253,659	1,253,659	0
<i>Total Expenditures</i>	<u>6,556,518</u>	<u>1,253,659</u>	<u>1,253,659</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(5,401,155)	(770,804)	(770,697)	107
<b><u>Other Financing Sources:</u></b>				
Transfers In	215,302	90,000	90,000	0
<i>Net Change in Fund Balance</i>	(5,185,853)	(680,804)	(680,697)	107
Fund Balance at Beginning of Year	501,465	501,465	501,465	0
Prior Year Encumbrances Appropriated	544,308	544,308	544,308	0
Fund Balance (Deficit) at End of Year	<u>(\$4,140,080)</u>	<u>\$364,969</u>	<u>\$365,076</u>	<u>\$107</u>

**WAVERLY CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*SchoolNet Capital Projects Fund*  
*For the Fiscal Year Ended June 30, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Intergovernmental	\$0	\$21,248	\$21,248	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	32,924	21,248	21,248	0
<i>Net Change in Fund Balance</i>	(32,924)	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>(\$32,924)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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# WAVERLY CITY SCHOOL DISTRICT

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## STATISTICAL SECTION



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Statistical Section

This part of the Waverly City 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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S13
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S20
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S21-S25
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S26-S27
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S28-S36

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The School District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that fiscal year.

**WAVERLY CITY SCHOOL DISTRICT**

Net Assets by Component  
Last Six Fiscal Years (1)  
(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Governmental Activities</b>			
Invested in Capital Assets, Net of Related Debt	\$5,228,431	\$8,316,620	\$26,963,872
Restricted for:			
Capital Projects	35,627,177	32,189,667	13,767,588
Debt Service	331,873	239,627	335,090
Set-Asides	0	0	57,076
Other Purposes	192,951	261,702	86,781
Unrestricted (Deficit)	<u>4,497,631</u>	<u>4,711,608</u>	<u>5,213,444</u>
Total Governmental Activities Net Assets	<u><u>\$45,878,063</u></u>	<u><u>\$45,719,224</u></u>	<u><u>\$46,423,851</u></u>

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$42,498,447	\$43,103,982	\$39,938,314
428,569	144,721	346,611
72,149	306,327	450,539
57,076	57,076	57,076
81,599	444,864	714,526
<u>3,193,962</u>	<u>(244,629)</u>	<u>1,181,058</u>
<u><u>\$46,331,802</u></u>	<u><u>\$43,812,341</u></u>	<u><u>\$42,688,124</u></u>

**WAVERLY CITY SCHOOL DISTRICT**

Changes in Net Assets  
Last Six Fiscal Years (1)  
(accrual basis of accounting)

	2001	2002	2003
<b>Expenses</b>			
Governmental Activities:			
Regular Instruction	\$5,924,366	\$7,277,328	\$6,708,113
Special Instruction	1,109,969	1,248,682	1,069,035
Vocational Instruction	149,069	123,634	171,496
Other	45,511	0	0
Pupil Support	607,246	827,551	781,774
Instructional Staff Support	947,256	816,270	1,095,531
Board of Education	38,851	46,775	63,940
Administration	973,537	1,017,178	1,018,692
Fiscal	360,285	445,742	376,787
Business	44,894	0	0
Operation and Maintenance of Plant	1,068,241	1,054,328	1,156,317
Pupil Transportation	797,019	788,353	886,792
Central Support	16,224	19,844	12,339
Operation of Non-Instructional Services	646,024	699,914	689,598
Extracurricular Activities	414,154	412,523	449,068
Intergovernmental	42,109	297,617	425,391
Interest and Fiscal Charges	256,783	461,276	591,291
<i>Total Governmental Activities Expenses</i>	<u>13,441,538</u>	<u>15,537,015</u>	<u>15,496,164</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services and Sales			
Regular Instruction	49,244	199,866	255,338
Special Instruction	30,724	15,969	1,029
Vocational Instruction	0	0	0
Pupil Support	12,670	9,284	12,622
Instructional Staff Support	23,675	19,933	20,130
Board of Education	0	0	0
Administration	10,593	9,517	10,806
Operation and Maintenance of Plant	0	3,955	2,065
Pupil Transportation	1,194	146	382
Operation of Non-Instructional Services	201,859	226,742	208,122
Extracurricular Activities	129,622	136,351	187,589
Operating Grants and Contributions	2,152,351	2,632,270	2,904,380
Capital Grants and Contributions	145,870	62,320	0
<i>Total Governmental Activities Program Revenues</i>	<u>2,757,802</u>	<u>3,316,353</u>	<u>3,602,463</u>
<b>Net (Expense)/Revenue</b>	(\$10,683,736)	(\$12,220,662)	(\$11,893,701)

2004	2005	2006
\$7,621,366	\$7,565,359	\$9,571,763
1,190,478	1,157,809	1,556,186
147,756	81,722	163,007
0	0	0
827,706	995,277	980,844
1,158,050	1,187,689	1,600,404
45,493	39,830	55,275
1,158,011	1,321,229	1,291,218
425,265	404,189	521,358
0	0	0
1,249,016	1,266,638	1,842,924
988,140	960,198	1,010,008
16,945	10,684	7,563
694,686	696,460	943,882
504,173	486,903	514,390
534,151	36,425	0
422,081	419,334	415,770
<u>16,983,317</u>	<u>16,629,746</u>	<u>20,474,592</u>

531,435	535,139	543,289
0	0	0
0	0	0
18,046	6,981	5,405
2,538	13,109	20,335
0	0	0
0	0	0
2,030	2,400	2,455
0	0	0
218,782	247,044	260,757
135,758	134,744	165,503
3,210,572	2,282,124	2,502,358
46,200	7,900	29,248
<u>4,165,361</u>	<u>3,229,441</u>	<u>3,529,350</u>

(\$12,817,956)      (\$13,400,305)      (\$16,945,242)  
*(continued)*

**WAVERLY CITY SCHOOL DISTRICT**

Changes in Net Assets  
Last Six Fiscal Years (1)  
(accrual basis of accounting)  
(continued)

	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b><i>General Revenues and Other Changes in Net Assets</i></b>			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$3,036,581	\$3,359,660	\$3,126,071
Debt Service	299,732	280,578	551,567
Capital Outlay	36,375	60,449	63,729
Grants and Entitlements not			
Restricted to Specific Programs	43,146,697	7,644,603	8,090,100
Payment in Lieu of Taxes	0	0	382,809
Investment Earnings	666,613	522,908	348,772
Unrestricted Contributions, Gifts and Donations	0	42,132	2,000
Miscellaneous	202,680	151,493	33,280
<b><i>Total Governmental Activities</i></b>	<u>\$47,388,678</u>	<u>\$12,061,823</u>	<u>\$12,598,328</u>
<b>Change in Net Assets</b>	<u>\$36,704,942</u>	<u>(\$158,839)</u>	<u>\$704,627</u>



<u>2004</u>	<u>2005</u>	<u>2006</u>
\$3,485,175	\$3,246,075	\$4,099,379
607,668	570,008	685,410
69,530	65,027	78,013
8,449,946	9,952,030	10,556,430
0	0	162,912
161,814	102,029	112,719
2,900	4,475	5,310
211,683	241,741	120,852
<u>\$12,988,716</u>	<u>\$14,181,385</u>	<u>\$15,821,025</u>
<u>\$170,760</u>	<u>\$781,080</u>	<u>(\$1,124,217)</u>

**WAVERLY CITY SCHOOL DISTRICT**

Program Revenues by Function

Last Six Fiscal Years (1)

(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b><i>Governmental Activities</i></b>			
<b>Function</b>			
Regular Instruction	\$803,391	\$1,340,162	\$1,046,225
Special Instruction	530,031	347,604	704,145
Vocational Instruction	17,193	27,391	0
Pupil Support	29,695	24,495	30,291
Instructional Staff Support	475,288	388,464	517,400
Board of Education	0	0	0
Administration	117,980	107,555	106,100
Fiscal	891	542	0
Business	0	0	0
Operation and Maintenance of Plant	3,482	3,955	2,065
Pupil Transportation	1,365	38,100	9,671
Central	11,177	7,015	0
Operation of Non-Instructional Services	541,440	603,140	563,838
Extracurricular Activities	176,456	146,327	197,337
Intergovernmental	49,413	281,603	425,391
Total Program Revenues	<u><u>\$2,757,802</u></u>	<u><u>\$3,316,353</u></u>	<u><u>\$3,602,463</u></u>

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$1,339,839	\$1,297,318	\$938,720
881,843	841,100	1,046,705
40,443	21,276	39,804
40,458	60,623	33,049
503,439	527,955	408,833
0	0	0
89,938	155,747	162,253
0	0	0
0	0	0
2,030	2,400	2,455
0	23,680	24,450
23,863	0	0
568,463	611,175	692,640
143,315	204,490	180,441
531,730	0	
<u>\$4,165,361</u>	<u>\$3,745,764</u>	<u>\$3,529,350</u>

**WAVERLY CITY SCHOOL DISTRICT**

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund				
Reserved	\$1,156,490	\$579,279	\$1,375,671	\$866,581
Unreserved	<u>3,160,071</u>	<u>3,853,459</u>	<u>3,368,388</u>	<u>3,380,982</u>
Total General Fund	<u>4,316,561</u>	<u>4,432,738</u>	<u>4,744,059</u>	<u>4,247,563</u>
All Other Governmental Funds				
Reserved	54,747	285,514	88,111	29,971
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,404	(28,107)	111,609	68,107
Debt Service Funds	7,949	7,949	7,949	7,949
Capital Projects Funds	<u>3,071</u>	<u>12,266</u>	<u>74,513</u>	<u>9,168</u>
Total All Other Governmental Funds	<u>68,171</u>	<u>277,622</u>	<u>282,182</u>	<u>115,195</u>
Total Governmental Funds	<u>\$4,384,732</u>	<u>\$4,710,360</u>	<u>\$5,026,241</u>	<u>\$4,362,758</u>

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$574,220	\$546,888	\$690,223	\$830,391	\$620,305	\$627,238
<u>3,269,613</u>	<u>3,864,756</u>	<u>3,907,499</u>	<u>3,136,984</u>	<u>(62,772)</u>	<u>1,679,676</u>
<u>3,843,833</u>	<u>4,411,644</u>	<u>4,597,722</u>	<u>3,967,375</u>	<u>557,533</u>	<u>2,306,914</u>
155,085	2,386,557	542,640	4,188,132	665,460	363,940
148,420	59,270	(173,402)	87,117	188,957	278,526
278,636	182,607	253,418	284,026	366,264	473,853
<u>8,710,702</u>	<u>12,047,185</u>	<u>11,766,879</u>	<u>(75,263)</u>	<u>284,001</u>	<u>346,611</u>
<u>9,292,843</u>	<u>14,675,619</u>	<u>12,389,535</u>	<u>4,484,012</u>	<u>1,504,682</u>	<u>1,462,930</u>
<u>\$13,136,676</u>	<u>\$19,087,263</u>	<u>\$16,987,257</u>	<u>\$8,451,387</u>	<u>\$2,062,215</u>	<u>\$3,769,844</u>

**WAVERLY CITY SCHOOL DISTRICT**  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	1997	1998	1999	2000
<b>Revenues</b>				
Property Taxes	\$2,350,285	\$2,177,489	\$2,635,177	\$3,185,571
Intergovernmental	7,484,162	7,179,533	7,950,445	8,014,263
Interest	227,483	319,303	322,757	299,330
Tuition and Fees	20,705	31,981	32,434	31,696
Extracurricular Activities	149,750	135,651	132,451	152,569
Customer Services	113,531	127,074	13,553	30,081
Rent	3,177	6,888	6,548	7,005
Gifts and Donations	4,828	63,318	55,140	60,759
Payment in Lieu of Taxes	0	0	0	0
Miscellaneous	21,003	98,174	123,665	136,087
<i>Total Revenues</i>	<u>10,374,924</u>	<u>10,139,411</u>	<u>11,272,170</u>	<u>11,917,361</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,007,877	4,389,495	4,866,826	5,507,128
Special	1,205,487	1,089,027	902,764	1,043,354
Vocational	112,470	121,060	123,038	127,188
Other	3,927	12,926	119,062	128,174
Support Services:				
Pupil	432,439	407,533	539,019	741,203
Instructional Staff	451,168	520,007	726,336	779,537
Board of Education	32,973	35,177	28,111	26,911
Administration	913,406	950,130	835,648	795,523
Fiscal	231,869	267,207	283,291	329,174
Operation and Maintenance of Plant	860,555	1,023,360	996,183	1,178,454
Pupil Transportation	684,222	662,391	640,420	729,455
Central	7,052	9,231	19,900	17,542
Operation of Non-Instructional Services	13,281	35,669	15,071	54,997
Extracurricular Activities	242,755	254,895	276,137	371,834
Capital Outlay	804,560	15,896	838,693	1,226,795
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	40,000	0	0	57,814
Interest and Fiscal Charges	1,050	0	0	34,539
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>10,045,091</u>	<u>9,794,004</u>	<u>11,210,499</u>	<u>13,149,622</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>329,833</u>	<u>345,407</u>	<u>61,671</u>	<u>(1,232,261)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	2,541	2,092	875	31,037
Proceeds from Loans	0	0	794,000	0
General Obligation Bonds Issued	0	0	0	0
Inception of Capital Lease	0	0	0	0
Premium on Debt Issue	0	0	0	0
Transfers In	0	44,542	31,623	262,291
Transfers Out	(10,000)	(54,018)	(32,941)	(262,291)
<i>Total Other Financing Sources (Uses)</i>	<u>(7,459)</u>	<u>(7,384)</u>	<u>793,557</u>	<u>31,037</u>
<i>Net Change in Fund Balances</i>	<u>\$322,374</u>	<u>\$338,023</u>	<u>\$855,228</u>	<u>(\$1,201,224)</u>
Debt Service as a Percentage of				
Noncapital Expenditures	0.4%	0.0%	0.0%	0.8%

2001	2002	2003	2004	2005	2006
\$3,343,746	\$3,669,150	\$3,687,133	\$4,150,302	\$3,896,834	\$4,800,529
9,792,308	19,212,770	27,154,546	21,984,852	12,575,824	13,042,899
648,335	531,497	368,844	168,619	101,097	113,651
57,379	211,796	266,892	528,395	555,229	569,029
168,150	163,593	220,974	159,017	134,744	165,503
231,812	242,024	208,122	218,782	247,044	260,757
2,240	4,350	2,095	2,395	2,400	2,455
54,681	55,296	14,382	13,275	23,669	20,248
0	0	0	40,000	0	242,912
202,680	151,493	33,280	211,683	241,741	120,852
<u>14,501,331</u>	<u>24,241,969</u>	<u>31,956,268</u>	<u>27,477,320</u>	<u>17,778,582</u>	<u>19,338,835</u>
5,723,795	6,966,967	6,521,806	7,294,024	8,264,749	8,268,744
1,093,346	1,151,152	1,104,049	1,210,603	1,173,884	1,342,665
138,735	122,075	167,640	165,901	80,984	143,286
45,511	0	0	0	0	0
634,446	775,912	801,604	844,641	1,007,815	879,126
873,238	883,151	1,083,854	1,134,698	1,168,272	1,178,824
38,851	46,775	63,940	45,493	39,830	55,275
940,271	988,641	1,038,788	1,161,288	1,287,168	1,134,863
357,037	442,136	378,073	422,062	412,868	481,057
1,084,478	1,023,502	1,111,581	1,207,345	1,848,972	1,837,755
890,040	891,906	927,128	1,028,563	1,457,283	1,040,997
20,877	15,902	8,524	13,807	10,684	7,563
554,989	651,376	653,806	693,524	742,004	780,074
377,709	399,507	449,744	537,134	504,597	496,963
830,277	3,171,651	18,665,024	19,064,649	5,552,475	942,797
42,109	297,617	425,391	534,209	36,425	0
77,100	82,151	268,955	275,081	283,104	331,795
242,414	415,678	395,453	384,568	372,686	359,422
131,753	0	0	0	0	0
<u>14,096,976</u>	<u>18,326,099</u>	<u>34,065,360</u>	<u>36,017,590</u>	<u>24,243,800</u>	<u>19,281,206</u>
<u>404,355</u>	<u>5,915,870</u>	<u>(2,109,092)</u>	<u>(8,540,270)</u>	<u>(6,465,218)</u>	<u>57,629</u>
775	500	1,307	4,400	76,046	0
0	0	0	0	0	0
8,085,906	0	0	0	0	0
65,000	27,226	7,779	0	0	1,650,000
131,847	0	0	0	0	0
105,313	108,443	193,462	209,120	386,267	276,334
(105,313)	(108,443)	(193,462)	(209,120)	(386,267)	(276,334)
<u>8,283,528</u>	<u>27,726</u>	<u>9,086</u>	<u>4,400</u>	<u>76,046</u>	<u>1,650,000</u>
<u>\$8,687,883</u>	<u>\$5,943,596</u>	<u>(\$2,100,006)</u>	<u>(\$8,535,870)</u>	<u>(\$6,389,172)</u>	<u>\$1,707,629</u>
2.4%	3.3%	4.3%	3.9%	3.5%	3.8%

**WAVERLY CITY SCHOOL DISTRICT**  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1997	\$64,926,970	\$14,264,390	\$226,261,029	\$12,500,300	\$15,625,375
1998	66,279,140	14,284,410	230,181,571	12,381,390	15,476,738
1999	68,133,980	15,289,510	238,352,829	13,218,700	16,523,375
2000	85,776,180	22,038,570	308,042,143	12,605,950	15,757,438
2001	86,697,410	20,890,350	307,393,600	12,261,160	15,326,450
2002	88,523,460	18,345,430	305,339,686	10,284,900	12,856,125
2003	99,215,880	18,504,650	336,344,371	11,326,030	14,157,538
2004	99,906,270	18,742,110	338,995,371	11,710,520	14,638,150
2005	100,194,320	25,608,650	359,437,057	11,699,070	14,623,838
2006	117,262,960	28,282,390	415,843,857	11,683,260	14,604,075

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. 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 was assessed in previous years at 25 percent for machinery and 23 percent for inventories. 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 zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: State of Ohio Department of Taxation & Pike County Auditor



Tangible Personal Property		Total		Ratio	Weighted Average Tax Rate
General Business		Assessed	Estimated		
Assessed Value	Estimated Actual Value	Value	Actual Value		
\$22,446,955	\$89,787,820	\$114,138,615	\$331,674,224	34.41%	\$21.16
23,540,703	94,162,812	116,485,643	339,821,121	34.28%	\$21.18
26,292,663	105,170,652	122,934,853	360,046,856	34.14%	\$21.27
25,719,595	102,878,380	146,140,295	426,677,960	34.25%	\$19.68
25,025,598	100,102,392	144,874,518	422,822,442	34.26%	\$24.54
23,491,795	93,967,180	140,645,585	412,162,991	34.12%	\$24.26
24,936,440	99,745,760	153,983,000	450,247,669	34.20%	\$23.98
23,214,203	92,856,812	153,573,103	446,490,333	34.40%	\$24.00
25,359,520	101,438,080	162,861,560	475,498,975	34.25%	\$24.15
25,322,842	101,291,368	182,551,452	531,739,300	34.33%	\$23.23

**WAVERLY CITY SCHOOL DISTRICT**

Property Tax Rates  
(per \$1,000 of assessed value)  
Last Ten Years

	1997	1998	1999	2000
<b>Unvoted Millage</b>				
Operating	\$3.60	\$3.60	\$3.60	\$3.60
<b>Voted Millage - by levy</b>				
1976 Current Expense				
Residential/Agricultural Real	8.35	8.35	8.31	7.86
Commercial/Industrial and Public Utility Real	8.18	8.18	8.18	7.81
General Business and Public Utility Personal	14.90	14.90	14.90	14.90
1977 Current Expense				
Residential/Agricultural Real	5.04	5.04	5.02	4.75
Commercial/Industrial and Public Utility Real	4.94	4.94	4.94	4.72
General Business and Public Utility Personal	9.00	9.00	9.00	9.00
1991 Current Expense				
Residential/Agricultural Real	4.42	4.42	4.39	3.79
Commercial/Industrial and Public Utility Real	4.29	4.29	4.29	3.88
General Business and Public Utility Personal	5.00	5.00	5.00	5.00
2000 Bond \$8,086,000				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
2000 Capital Improvement				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
<b>Total voted millage by type of property</b>				
Residential/Agricultural Real	17.81	17.81	17.72	16.40
Commercial/Industrial and Public Utility Real	17.41	17.41	17.41	16.41
General Business and Public Utility Personal	28.90	28.90	28.90	28.90
<b>Overlapping Rates by Taxing District</b>				
Townships				
Residential/Agricultural Real	0.26 - 5.32	0.26 - 5.31	0.26 - 4.55	0.22 - 4.55
Commercial/Industrial and Public Utility Real	0.13 - 5.52	0.13 - 5.52	0.13 - 5.46	0.13 - 5.60
General Business and Public Utility Personal	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00
City				
Residential/Agricultural Real	10.14	10.14	10.14	8.39
Commercial/Industrial and Public Utility Real	9.26	9.26	9.26	8.22
General Business and Public Utility Personal	15.30	15.30	15.30	15.30
Counties				
Residential/Agricultural Real	0.25 - 4.90	0.25 - 4.90	0.22 - 4.90	0.22 - 4.90
Commercial/Industrial and Public Utility Real	0.27 - 4.90	0.27 - 4.90	0.27 - 4.90	0.26 - 4.90
General Business and Public Utility Personal	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90
Paint Valley Mental Health District				
Residential/Agricultural Real	0.75	0.71	0.67	0.63
Commercial/Industrial and Public Utility Real	0.72	0.71	0.72	0.69
General Business and Public Utility Personal	1.00	1.00	1.00	1.00
Pike County Area Joint Vocational School District				
Residential/Agricultural Real	3.13	3.13	3.11	2.60
Commercial/Industrial and Public Utility Real	3.03	3.03	3.03	2.70
General Business and Public Utility Personal	6.50	6.50	6.50	6.50
West Jackson Township Fire District				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

2001	2002	2003	2004	2005	2006
\$3.60	\$3.60	\$3.60	\$3.60	\$3.60	\$3.60
7.94	7.90	7.97	7.97	7.97	8.10
8.46	8.48	8.48	8.48	8.75	8.19
14.90	14.90	14.90	14.90	14.90	14.90
4.80	4.77	4.81	4.81	4.82	4.89
5.11	5.12	4.12	5.12	5.29	4.95
9.00	9.00	9.00	9.00	9.00	9.00
3.83	3.81	3.62	3.62	3.61	3.41
4.20	4.21	4.21	4.21	4.35	4.07
5.00	5.00	5.00	5.00	5.00	5.00
4.12	4.12	4.12	4.12	4.12	3.75
4.12	4.12	4.12	4.12	4.12	3.75
4.12	4.12	4.12	4.12	4.12	3.75
0.50	0.50	0.45	0.45	0.45	0.39
0.50	0.50	0.50	0.50	0.50	0.47
0.50	0.50	0.50	0.50	0.50	0.50
21.19	21.10	20.97	20.97	20.97	20.54
22.39	22.43	21.43	22.43	23.01	21.43
33.52	33.52	33.52	33.52	33.52	33.15
0.22 - 4.54	0.22 - 4.04	0.20 - 4.03	0.20 - 4.00	0.20 - 3.74	0.17 - 3.74
0.13 - 5.60	0.13 - 5.03	0.13 - 5.03	0.16 - 5.03	0.16 - 5.03	0.14 - 5.03
0.40 - 6.00	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00
8.49	8.49	7.83	7.83	7.83	6.91
8.87	8.91	8.93	8.93	9.22	8.67
14.30	15.30	15.30	15.30	15.30	15.30
0.21 - 4.90	0.19 - 4.90	0.19 - 4.90	0.25 - 4.90	0.25 - 4.90	0.21 - 4.90
0.27 - 4.90	0.24 - 4.90	0.24 - 4.90	0.30 - 4.90	0.31 - 4.90	0.29 - 4.90
0.30 - 4.90	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90
0.59	0.57	0.56	0.55	0.54	0.51
0.64	0.62	0.64	0.63	0.63	0.60
1.00	1.00	1.00	1.00	1.00	1.00
2.63	2.62	2.39	2.39	2.38	2.84
2.87	2.87	2.88	2.88	2.94	3.66
6.50	6.50	6.50	6.50	6.50	7.50
0.00	0.00	0.00	3.00	3.00	2.64
0.00	0.00	0.00	3.00	3.00	2.88
0.00	0.00	0.00	3.00	3.00	3.00

**WAVERLY CITY SCHOOL DISTRICT**  
Property Tax Levies and Collections - Real and Public Utility Property  
Last Ten Collection (Calendar) Years (1)

Collection Year (2)	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1996	\$3,128,083	\$2,308,787	73.81%	\$200,764	\$2,509,551	80.23%
1997	3,256,946	2,333,614	71.65	202,923	2,536,537	77.88
1998	3,380,729	2,405,642	71.16	209,186	2,614,828	77.35
1999	3,495,612	2,441,723	69.85	127,677	2,569,400	73.50
2000	3,873,633	2,788,433	71.98	208,909	2,997,342	77.38
2001	3,874,436	3,051,964	78.77	142,151	3,194,115	82.44
2002	2,948,066	2,695,731	91.44	259,864	2,955,595	100.26
2003	3,924,294	2,351,992	59.93	147,150	2,499,142	63.68
2004	4,193,107	4,142,408	98.79	95,804	4,238,212	101.08
2005	4,241,672	4,532,287	106.85	273,107	4,805,394	113.29

Source: Pike County Auditor

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as intergovernmental revenue.
- (2) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.
- (3) The County does not identify delinquent tax collections by tax year.

**WAVERLY CITY SCHOOL DISTRICT**

Principal Taxpayers

Real Estate and Public Utility Tangible Personal Property Tax (1)  
December 31, 2005 and December 31, 1999

Name of Taxpayer	December 31, 2005	
	Assessed Value	Percent of Real Property Assessed Value
Bristol Village Homes	\$30,620,285	26.11%
Mills Pride	19,940,371	17.00%
Wal Mart Stores	4,294,400	3.66%
Pike Metropolitan Housing	3,344,600	2.85%
Brown Corporation	1,955,057	1.67%
Grace United Methodist Church	1,936,571	1.65%
Escanaba Timber	1,927,600	1.64%
Pinehurst LLC	1,743,828	1.49%
First National Bank	1,691,342	1.44%
Clough Commons	1,531,714	1.31%
Totals	<u>\$68,985,768</u>	<u>58.83%</u>
Total Assessed Valuation	<u>\$117,262,960</u>	
Name of Taxpayer	December 31, 1999	
	Assessed Value	Percent of Real Property Assessed Value
National Church Residences	\$20,965,971	24.44%
Wal Mart Stores	2,860,685	3.34%
HTW Associates, Ltd.	1,912,285	2.23%
Wausau Homes, Inc.	1,865,828	2.18%
Pinehurst, Ltd.	1,498,057	1.75%
Kmart Corporation	1,473,571	1.72%
Parker-Hannifer Corporation	1,219,800	1.42%
Clough Commons, Ltd.	1,180,828	1.38%
Cooperative Power, Inc.	1,091,228	1.27%
Robert L. Ewing	959,057	0.82%
Totals	<u>\$35,027,310</u>	<u>40.54%</u>
Total Assessed Valuation	<u>\$85,776,180</u>	

(1) 1999 Public Utility Tangible Personal Property Tax is not included, as it was not available. Information prior to 1999 was not available for Real Estate or Public Utility Tangible Personal Property Tax.

**WAVERLY CITY SCHOOL DISTRICT**

Principal Taxpayers

General Business Tangible Personal Property Tax

December 31, 2005

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Real Property Assessed Value</u>
Mills Pride	\$10,472,310	41.36%
Wal Mart Stores	1,041,500	4.11%
Mills Pride Premier	988,310	3.90%
General Electric Corporation	755,970	2.99%
Vallery Ford	553,900	2.19%
Pike Sanitation	532,530	2.10%
Hunter Chrysler Plymouth	398,140	1.57%
Inergy Propand LLC	301,300	1.19%
SEEMAC, Inc.	243,390	0.96%
Kroger	<u>230,520</u>	<u>0.91%</u>
Totals	<u>\$15,517,870</u>	<u>61.28%</u>
Total Assessed Valuation	<u>\$25,322,842</u>	

(1) Information prior to 2005 was not available.

**WAVERLY CITY SCHOOL DISTRICT**  
 Computation of Direct and Overlapping  
 Debt Attributable to Governmental Activities  
 June 30, 2006

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Waverly City School District:			
General Obligation Bonds	\$7,597,987	100.00%	\$7,597,987
Energy Conservation Loan	333,005	100.00	333,005
Capital Lease Obligation	<u>1,650,000</u>	100.00	<u>1,650,000</u>
Total Direct Debt	<u>\$9,580,992</u>	100.00	<u>\$9,580,992</u>
Overlapping:			
Pike County:			
Loan Obligations	\$902,999	33.34	301,060
Capital Lease Obligation	19,873	33.34	6,626
City of Waverly:			
Loan and Note Obligations	1,153,397	100.00	1,153,397
Pike County Joint Vocational School District:			
Energy Conservation Loan	342,618	30.85	105,698
Capital Lease Obligation	<u>3,500,000</u>	30.85	<u>1,079,750</u>
Total Overlapping Debt	<u>5,918,887</u>		<u>2,646,530</u>
Total Direct and Overlapping Debt	<u>\$15,499,879</u>		<u>\$12,227,522</u>

Source: Waverly City School District and Overlapping Government Audit Reports

**WAVERLY CITY SCHOOL DISTRICT**

Ratio of Debt  
to Assessed Value and Debt per Capita  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt			
			General Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita	General Bonded Debt Outstanding
1997	10,623	\$331,674,224	\$0	0.00%	\$0.00	\$0
1998	10,623	339,821,121	0	0.00%	0.00	0
1999	10,623	360,046,856	0	0.00%	0.00	0
2000	11,556	426,677,960	0	0.00%	0.00	0
2001	11,556	422,822,442	8,219,276	1.94%	711.26	8,219,276
2002	11,556	412,162,991	8,249,052	2.00%	713.83	8,249,052
2003	11,556	450,247,669	8,112,180	1.80%	701.99	8,112,180
2004	11,556	446,490,333	8,235,133	1.84%	712.63	8,235,133
2005	11,556	475,498,975	7,803,511	1.64%	675.28	7,803,511
2006	11,556	531,739,300	7,597,987	1.43%	657.49	7,597,987

Sources: (1) National Center for Education Statistics  
1997-1999 from 1990 U.S. Census Data  
2000-2006 from 2000 U.S. Census Data

(2) Ohio Department of Taxation and Pike County Auditor



General Debt

Energy Conservation Loan	School Improvement Bond Anticipation Notes	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
\$0	\$0	\$0	\$0	0.00%	\$0.00
0	0	0	0	0.00%	0.00
794,000	0	31,944	825,944	0.23%	\$77.75
736,186	0	18,771	754,957	0.18%	65.33
675,944	8,086,000	48,142	17,029,362	4.03%	1,473.64
613,161	0	56,000	8,918,213	2.16%	771.74
547,465	0	30,520	8,690,165	1.93%	752.00
479,108	0	13,796	8,728,037	1.95%	755.28
407,639	0	2,161	8,213,311	1.73%	710.74
333,005	0	1,650,000	9,580,992	1.80%	829.09

**WAVERLY CITY SCHOOL DISTRICT**

Computation of Legal Debt Margin

Last Ten Fiscal Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Assessed Valuation (1)	\$114,138,615	\$116,485,643	\$122,934,853	\$146,140,295
Less:				
General Business Personal Property	0	0	0	0
Railroad and Telephone Tangible Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Valuation used to calculate Legal Debt Margin	114,138,615	116,485,643	122,934,853	146,140,295
Debt Limit - 9% of Assessed Value (2)	<u>10,272,475</u>	<u>10,483,708</u>	<u>11,064,137</u>	<u>13,152,627</u>
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	0	0	794,000	736,186
Less Exempt Debt	0	0	(794,000)	(736,186)
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$10,272,475</u>	<u>\$10,483,708</u>	<u>\$11,064,137</u>	<u>\$13,152,627</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (1)	\$114,139	\$116,486	\$122,935	\$146,140
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$114,139</u>	<u>\$116,486</u>	<u>\$122,935</u>	<u>\$146,140</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Energy Conservation Debt Limit	\$1,027,248	\$1,048,371	\$1,106,414	\$1,315,263
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>794,000</u>	<u>736,186</u>
Energy Conservation Debt Margin	<u>\$1,027,248</u>	<u>\$1,048,371</u>	<u>\$312,414 #</u>	<u>\$579,077</u>
Energy Conservation Debt Margin as a Percentage of the Energy Conservation Limit Limit	100.00%	100.00%	28.24%	44.03%

Source: Ohio Department of Taxation and Waverly City School District Financial Records

(1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

(2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$144,874,518	\$140,645,585	\$153,983,000	\$153,573,103	\$162,861,560	\$182,551,452
0	0	0	0	0	(25,322,842)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,592,440)</u>
144,874,518	140,645,585	153,983,000	153,573,103	162,861,560	154,636,170
<u>13,038,707</u>	<u>12,658,103</u>	<u>13,858,470</u>	<u>13,821,579</u>	<u>14,657,540</u>	<u>13,917,255</u>
8,763,373	8,736,109	8,463,371	8,205,014	7,933,545	7,603,911
(62,411)	(613,161)	(547,465)	(479,108)	(407,639)	(333,005)
<u>(308,353)</u>	<u>(211,418)</u>	<u>(298,192)</u>	<u>(340,284)</u>	<u>(411,828)</u>	<u>(546,486)</u>
<u>8,392,609</u>	<u>7,911,530</u>	<u>7,617,714</u>	<u>7,385,622</u>	<u>7,114,078</u>	<u>6,724,420</u>
<u>\$4,646,098</u>	<u>\$4,746,573</u>	<u>\$6,240,756</u>	<u>\$6,435,957</u>	<u>\$7,543,462</u>	<u>\$7,192,835</u>
35.63%	37.50%	45.03%	46.56%	51.46%	51.68%
\$144,875	\$140,646	\$153,983	\$153,573	\$162,862	\$154,636
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$144,875</u>	<u>\$140,646</u>	<u>\$153,983</u>	<u>\$153,573</u>	<u>\$162,862</u>	<u>\$154,636</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$1,303,871	\$1,265,810	\$1,385,847	\$1,382,158	\$1,465,754	\$1,391,726
<u>675,944</u>	<u>613,161</u>	<u>547,465</u>	<u>479,108</u>	<u>407,639</u>	<u>333,005</u>
<u>\$627,927</u>	<u>\$652,649</u>	<u>\$838,382</u>	<u>\$903,050</u>	<u>\$1,058,115</u>	<u>\$1,058,721</u>
48.16%	51.56%	60.50%	65.34%	72.19%	76.07%

**WAVERLY CITY SCHOOL DISTRICT**

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Pike County Unemployment Rate (3)</u>
1997	10,623	\$108,067,779	\$10,173	N/A	9.10%
1998	10,623	108,067,779	10,173	N/A	8.80%
1999	10,623	108,067,779	10,173	N/A	11.70%
2000	11,556	201,964,212	17,477	36,110	7.10%
2001	11,556	201,964,212	17,477	36,110	7.70%
2002	11,556	201,964,212	17,477	36,110	6.40%
2003	11,556	201,964,212	17,477	36,110	10.70%
2004	11,556	201,964,212	17,477	36,110	9.10%
2005	11,556	201,964,212	17,477	36,110	9.60%
2006	11,556	201,964,212	17,477	36,110	8.10%

Sources: (1) National Center for Education Statistics  
1997-1999 from 1990 U.S. Census Data  
2000-2006 from 2000 U.S. Census Data  
1997-1999 Median Household Income not available.

(2) Computation of Per Capita Personal Income  
multiplied by population

(3) Ohio Department of Jobs and Family Services

**WAVERLY CITY SCHOOL DISTRICT**

Principal Employers  
Current Year

<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Rank</u>
Masco Corporation/Mills Pride, Inc.	Manufacturing	1,450	1
Wal-Mart Stores	Retail	482	2
Brown Corporation of Waverly	Manufacturing	250	3
Waverly City School District	Government	248	4
Pike Community Hospital	Service	228	5
Total		<u>2,658</u>	

Source: Pike County Department of Economic Development

(1) Historical data and information on total employment within the School District was not available.

**WAVERLY CITY SCHOOL DISTRICT**  
School District Employees by Function/Program (1)  
Last Ten Fiscal Years

Function/Program	1997	1998	1999	2000
<b>Regular Instruction</b>				
Elementary Classroom Teachers	66.00	67.00	70.00	75.00
High School Classroom Teachers	23.00	23.00	24.00	24.00
<b>Special Instruction</b>				
Elementary Classroom Teachers	11.00	11.00	9.00	10.00
Gifted Education Teachers	1.00	1.00	1.00	1.00
High School Classroom Teachers	3.00	3.00	3.00	3.00
<b>Vocational Instruction</b>				
High School Classroom Teachers	2.00	2.00	2.00	2.00
<b>Pupil Support Services</b>				
Guidance Counselors	3.00	3.00	3.00	3.00
Librarians	1.00	1.00	1.00	1.00
Psychologists	1.00	1.00	1.00	1.00
Speech and Language Pathologists	1.00	1.00	1.00	1.00
Nurse	1.00	1.00	1.00	1.00
<b>Administrators</b>				
Elementary	4.00	5.00	5.00	5.00
High School	1.00	1.00	1.00	2.00
<b>Operation of Plant</b>				
Custodians	12.00	12.00	12.00	12.00
Maintenance	2.00	2.00	2.00	2.00
<b>Pupil Transportation</b>				
Bus Drivers	22.00	22.00	23.00	22.00
Bus Aides	0.00	0.00	0.00	0.00
Van Drivers	0.00	0.00	0.00	0.00
<b>Food Service Program</b>				
Elementary Cooks	10.00	10.00	10.00	10.00
High School Cooks	3.00	3.00	3.00	3.00
Totals:	<u>167.00</u>	<u>169.00</u>	<u>172.00</u>	<u>178.00</u>

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year. The total does not include aides, clerical staff, or School District administrative/financial office employees.

Source: Waverly City School District records.

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
76.00	76.00	78.00	78.00	79.00	79.00
27.00	28.00	26.00	26.00	26.00	26.00
10.00	11.00	10.00	14.00	14.00	14.00
1.00	1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	3.00	3.00	4.00
2.00	2.00	2.00	2.00	1.00	2.00
3.00	3.00	3.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
5.00	6.00	6.00	6.00	6.00	4.00
2.00	2.00	2.00	2.00	2.00	2.00
12.00	12.00	12.00	15.00	15.00	15.00
2.00	2.00	2.00	2.00	2.00	2.00
23.00	23.00	24.00	24.00	30.00	30.00
0.00	0.00	0.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00	0.00
10.00	10.00	10.00	10.00	10.00	10.00
3.00	3.00	3.00	3.00	3.00	3.00
<u>183.00</u>	<u>186.00</u>	<u>186.00</u>	<u>195.00</u>	<u>201.00</u>	<u>201.00</u>

**WAVERLY CITY SCHOOL DISTRICT**

Building Statistics  
Last Ten Fiscal Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<b>Waverly Primary School</b>				
Constructed in 2004				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades K-2	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
<b>Waverly Intermediate School</b>				
Constructed in 2004				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades 3-5	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
<b>Waverly Junior High School</b>				
Constructed in 2004				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades 6-8	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
<b>Waverly High School</b>				
Constructed in 2004				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades 9-12	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A

Source: Waverly City School District records.



2001	2002	2003	2004	2005	2006
N/A	N/A	N/A	N/A	70,000	70,000
N/A	N/A	N/A	N/A	470	515
N/A	N/A	N/A	N/A	605	605
N/A	N/A	N/A	N/A	28	28
N/A	N/A	N/A	N/A	27	23
N/A	N/A	N/A	N/A	2	2
N/A	N/A	N/A	N/A	2	2
N/A	N/A	N/A	N/A	61,000	61,000
N/A	N/A	N/A	N/A	492	431
N/A	N/A	N/A	N/A	512	512
N/A	N/A	N/A	N/A	23	23
N/A	N/A	N/A	N/A	21	17
N/A	N/A	N/A	N/A	2	2
N/A	N/A	N/A	N/A	6	6
N/A	N/A	N/A	N/A	79,000	79,000
N/A	N/A	N/A	N/A	471	483
N/A	N/A	N/A	N/A	544	544
N/A	N/A	N/A	N/A	21	21
N/A	N/A	N/A	N/A	24	21
N/A	N/A	N/A	N/A	2	2
N/A	N/A	N/A	N/A	6	6
N/A	N/A	N/A	N/A	131,000	131,000
N/A	N/A	N/A	N/A	687	692
N/A	N/A	N/A	N/A	722	722
N/A	N/A	N/A	N/A	20	20
N/A	N/A	N/A	N/A	26	22
N/A	N/A	N/A	N/A	2	2
N/A	N/A	N/A	N/A	3	4

(continued)

**WAVERLY CITY SCHOOL DISTRICT**

Building Statistics  
Last Ten Fiscal Years  
(continued)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<b>East Primary School</b>				
Constructed in 1954; demolished in 2005				
Total Building Square Footage	47,618	47,618	47,618	47,618
Enrollment Grades K-2	489	489	469	493
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	26	26	26	28
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	3	3	3	2
<b>West Intermediate School</b>				
Constructed in 1957; demolished in 2005				
Total Building Square Footage	35,208	35,208	35,208	35,208
Enrollment Grades 3-5	445	485	478	489
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	15	15	17	19
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	4	4	2	4
<b>North Junior High School</b>				
Constructed in 1961; demolished in 2005				
Total Building Square Footage	40,665	40,665	40,665	40,665
Enrollment Grades 6-8	467	440	465	479
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	18	18	19	19
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	3	3	3	3
<b>Waverly High School (old)</b>				
Constructed in 1931; demolished in 2005				
Total Building Square Footage	101,369	101,369	101,369	101,369
Enrollment Grades 9-12	729	693	681	651
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	23	23	24	24
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	3	3	3	3

Source: Waverly City School District records.

2001	2002	2003	2004	2005	2006
47,618	47,618	47,618	47,618	N/A	N/A
515	494	436	459	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
28	28	27	27	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
2	2	2	3	N/A	N/A
35,208	35,208	35,208	35,208	N/A	N/A
478	479	488	480	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
20	20	21	20	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
4	4	4	5	N/A	N/A
40,665	40,665	40,665	40,665	N/A	N/A
481	477	500	489	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
19	22	24	24	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
3	4	4	6	N/A	N/A
101,369	101,369	101,369	101,369	N/A	N/A
608	600	642	670	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
27	28	26	26	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
3	3	3	3	N/A	N/A

**WAVERLY CITY SCHOOL DISTRICT**

Per Pupil Cost  
Last Ten Fiscal Years

Fiscal Year	Enrollment	General Government		Governmental Activities	
		Total Expenditures (1)	Per Pupil Cost	Total Expenses (2)	Per Pupil Cost
1997	2,130	\$10,005,091	\$4,697	N/A	N/A
1998	2,107	9,794,004	4,648	N/A	N/A
1999	2,093	11,210,499	5,356	N/A	N/A
2000	2,112	13,057,269	6,182	N/A	N/A
2001	2,082	13,645,709	6,554	13,184,755	6,333
2002	2,050	17,828,270	8,697	15,075,739	7,354
2003	2,066	33,796,405	16,358	14,904,873	7,214
2004	2,098	35,357,941	16,853	16,561,236	7,894
2005	2,120	23,588,010	11,126	16,210,412	7,646
2006	2,121	18,589,989	8,765	20,058,822	9,457

Source: Waverly City School District Records

(1) Excludes debt service expenditures

(2) The total expenses do not include interest and fiscal charges.

**WAVERLY CITY SCHOOL DISTRICT**

Teacher to Student Ratio

Last Ten Fiscal Years

<u>Year</u>	<u>Average Number of Students per Teacher (1)</u>	<u>State Average</u>
1997	22.8	20.7
1998	22.2	20.4
1999	20.0	18.6
2000	17.3	18.1
2001	18.8	18.0
2002	17.9	16.9
2003	17.0	16.5
2004	18.9	18.5
2005	19.2	18.5
2006	18.9	18.6

Source: Ohio Department of Education EMIS Data (Power User Reports)

(1) Based on Average Daily Membership Submitted to the Ohio Department of Education EMIS System.

**WAVERLY CITY SCHOOL DISTRICT**  
 Percentage of Students who Receive Free and Reduced Lunches  
 Last Five Fiscal Years

District Buildings	2002	2003	2004	2005	2006
Waverly Primary	40.28%	40.00%	45.24%	49.73%	52.35%
Waverly Intermediate	39.11%	43.10%	45.59%	48.77%	46.90%
Waverly Junior High	34.95%	40.04%	38.26%	35.32%	41.47%
Waverly High School	20.19%	22.80%	26.71%	24.35%	32.41%

Information prior to 2002 was not available.

Source: Ohio Department of Education



**Mary Taylor, CPA**  
Auditor of State

**WAVERLY CITY SCHOOL DISTRICT**

**PIKE 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 23, 2007**