

Waverly City School District

Pike County

Single Audit

July 1 , 2001 Through June 30, 2002

Fiscal Year Audited Under GAGAS: 2002

BALESTRA & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**Auditor of State
Betty Montgomery**

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Board of Education
Waverly City School District
Waverly, Ohio

We have reviewed the Independent Auditor's Report of the Waverly City School District, Pike County, prepared by Balestra & Company, for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

February 6, 2003

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WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY

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WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY, OHIO

Schedule of Federal Awards Expenditures
June 30, 2002

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	In-Kind Receipts	Disbursements	In-Kind Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed through the Ohio Department of Education</i>						
Child Nutrition Cluster: Food Donation Program	NA	10.550		\$36,882		\$37,397
School Breakfast Program	049148-05PU	10.553	\$67,707		\$67,707	
National School Lunch Program (NSLP)	049148-LLP4	10.555	<u>237,248</u>		<u>237,248</u>	
Total U.S. Department of Agriculture - Child Nutrition Cluster			304,955	36,882	304,955	37,397
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed through the Ohio Department of Education</i>						
Title I Grants to Local Education Agencies	049148-C1S1	84.010	493,941		472,143	
Special Education Grants to the States	049148-6BSF	84.027	142,359		131,253	
Eisenhower Professional Development State Grants	049148-MSS1	84.281	16,322		26,382	
Safe & Drug Free Schools and Communities: State Grants	049148-DRS1	84.186	8,138		7,594	
Innovative Education Program Strategy	049148-C2S1	84.298	12,040		12,199	
Class Size Reduction	049148-CRS1	84.340	<u>63,000</u>		<u>77,662</u>	
Total U.S. Department of Education			735,800		727,233	
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>						
<i>Passed through the State Board of MRDD</i>						
Medical Assistance Program	NA	93.778	<u>103,775</u>		<u>103,775</u>	
Total Federal Financial Assistance:			<u>\$1,144,530</u>	<u>\$36,882</u>	<u>\$1,135,963</u>	<u>\$37,397</u>

NA = Not Available

See Notes to the Schedule of Federal Award Expenditures

Waverly City School District
Notes to Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2002

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTIONS

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.

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BALESTRA & COMPANY

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

Members of the Board
Waverly City School District
500 East Second Street
Waverly, Ohio 45690

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 (the District), Pike County, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 9, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of the District in a separate letter dated December 9, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the District in a separate letter dated December 9, 2002.

Members of the Board
Waverly City School District

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

Page 2

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

Balestra & Company

Balestra & Company
December 9, 2002

BALESTRA & COMPANY

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

Members of the Board
Waverly City School District
500 East Second Street
Waverly, Ohio 45690

Compliance

We have audited the compliance of Waverly City School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Members of the Board

Waverly City School District

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

Page 2

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District (the District), Pike County, as of and for the year ended June 30, 2002, and have issued our report thereon on dated December 9, 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Balestra & Company

Balestra & Company

December 9, 2002

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505

WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY
JUNE 30, 2002

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA # 84.010, Title I Grants to Local Education Agencies
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505

WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY
JUNE 30, 2002

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

Finding Number	None
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3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2002



WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

INTRODUCTORY SECTION

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WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Issued by:

Treasurer's Office

Jenni L. Logan, Treasurer

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Waverly City School District
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Waverly City Schools

Board of Education

Linda Blaum Shoemaker, President

Randy Armbruster, Vice President

John Boyer

Sharon Manson

Gary Towler

500 E. Second Street

Waverly, Ohio 45690

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Fax (740) 947-4483

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December 9, 2002

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, 2002. This Comprehensive Annual Financial Report contains financial statements, supplemental statements and statistical information, providing complete and full disclosure of all material financial aspects of the School District for the 2002 fiscal year.

The School District is responsible for the accuracy, completeness, and fairness of the data presented. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School District. We have included all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities. This report is prepared in conformity with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

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, 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.

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.

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 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 insure 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 City of Waverly, Parent Teacher Organization, Pike County Board of Education, Booster groups and Alumni associations perform activities within the School District's boundaries for the benefit of its residents but are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

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 School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

The Waverly City School District is located in Pike County, in beautiful southern 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.

The latest unemployment rate of the county was 6.4 percent. This is a decrease over last year's figure. The labor market has somewhat stabilized for Pike County. The rate is still above the U.S. rate of 5.4% but well below 10% which is present in several counties in Ohio.

Southern Ohio was the first part of the State to be settled and is rich in historic communities and buildings. Because of its heritage, the area has a strong and proud work ethic among its citizens, who are renowned for their professionalism, craftsmanship, and loyalty.

THE DISTRICT AND ITS FACILITIES

The School District served 2,050 students during the 2002 fiscal year. Facilities include one high school, one junior high school, and two elementary schools which includes preschool. The enrollment per school is as follows:

<u>School</u>	<u>Grades</u>	<u>Enrollment</u>
East Elementary	PK-2	494
West Elementary	3-5	479
North Junior High	6-8	477
Waverly High School	9-12	600

MAJOR INITIATIVES

For the Year

Major initiatives during the 2002 fiscal year included breaking ground on the facility project of the School District. Four new buildings will be erected on the new school campus. The anticipated completion date is June, 2004 for all buildings. All designs and cost estimates have been approved and bidding has occurred on several of the facets of the project. To date, the first phase of the site work is complete and foundations and walls are being built.

Many scholarships and academic awards were received by students throughout the year. Proficiency scores remained high and results from the fourth grade reading proficiency tests, which were the first under the fourth grade guarantee, were remarkable. The School District maintained its continuous improvement status in relation to the School District Report Card.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records are maintained during the fiscal year on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation, and (2) the valuation of cost and benefits requires estimates and judgments by management.

Federal and State Assistance

As a recipient of federal and state financial assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District. The independent audit of the financial statements of the School District was part of a broader, federally mandated "Single Audit" designed to meet the special need of federal grantor agencies.

Budgetary Controls

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. The School District has chosen to present budgetary information at the function level in the basic financial statements and at the object level in the individual fund statements.

The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year end are carried forward to succeeding years and are not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

Financial Condition

This is the second year that the School District has prepared financial statements following *GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments."* *GASB Statement No. 34* creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget for the general fund and any major special revenue funds. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the School District finances for 2002.

Cash Management

The School District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in the State Treasury Asset Reserve of Ohio (STAROhio), money market mutual funds, Federal Home Loan Bank bonds, Federal Home Loan Mortgage Corporation bonds, Federal National Mortgage Association bonds, Federal Farm Credit Bank bonds and Student Loan Marketing Association bonds. The amount of interest income in fiscal year 2002 for all School District funds was \$531,497, of which \$227,140 was credited to the General Fund and \$304,357 was credited to the Construction Fund. A more detailed description of the School District's investment functions are described in Note 5 to the financial statements.

Risk Management

The School District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$1,000 per loss incurred. Insurance policies for general liability, employer's liability, employee benefits liability and educational legal liability are purchased through the Ohio School Plan, a public insurance purchasing pool. The maximum deductible amount for these coverages is \$2,500 per loss incurred.

For fiscal year 2002, the School District participated in the Ohio School Boards Association 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 Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

OTHER INFORMATION

INDEPENDENT AUDIT

The School District had an independent audit performed by the firm of Balestra & Company for the fiscal year ended June 30, 2002. The opinion of Balestra & Company can be found at the beginning of the Financial Section of this report.

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, 2001. 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

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, 2001.

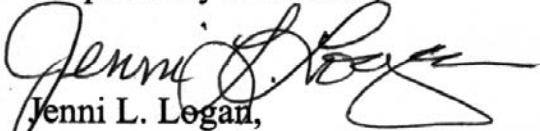
A Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report (CAFR) for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial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


ACKNOWLEDGMENTS

A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report. A special thank you is also extended to the Auditor of State's Local Government Services Division for all of their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

Finally, sincere gratitude goes to the Board of Education where the commitment to excellence begins.

Respectfully submitted,


Jenni L. Logan,
Treasurer


Euggle Robertson
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
August 31, 2001

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.



A handwritten signature in black ink, appearing to read "William Patrick Vasta".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

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, 2001

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

Clark J. Goldhall
President

David A. Kelly
Interim Executive Director

Waverly City School District

*List of Principal Officials
June 30, 2002*

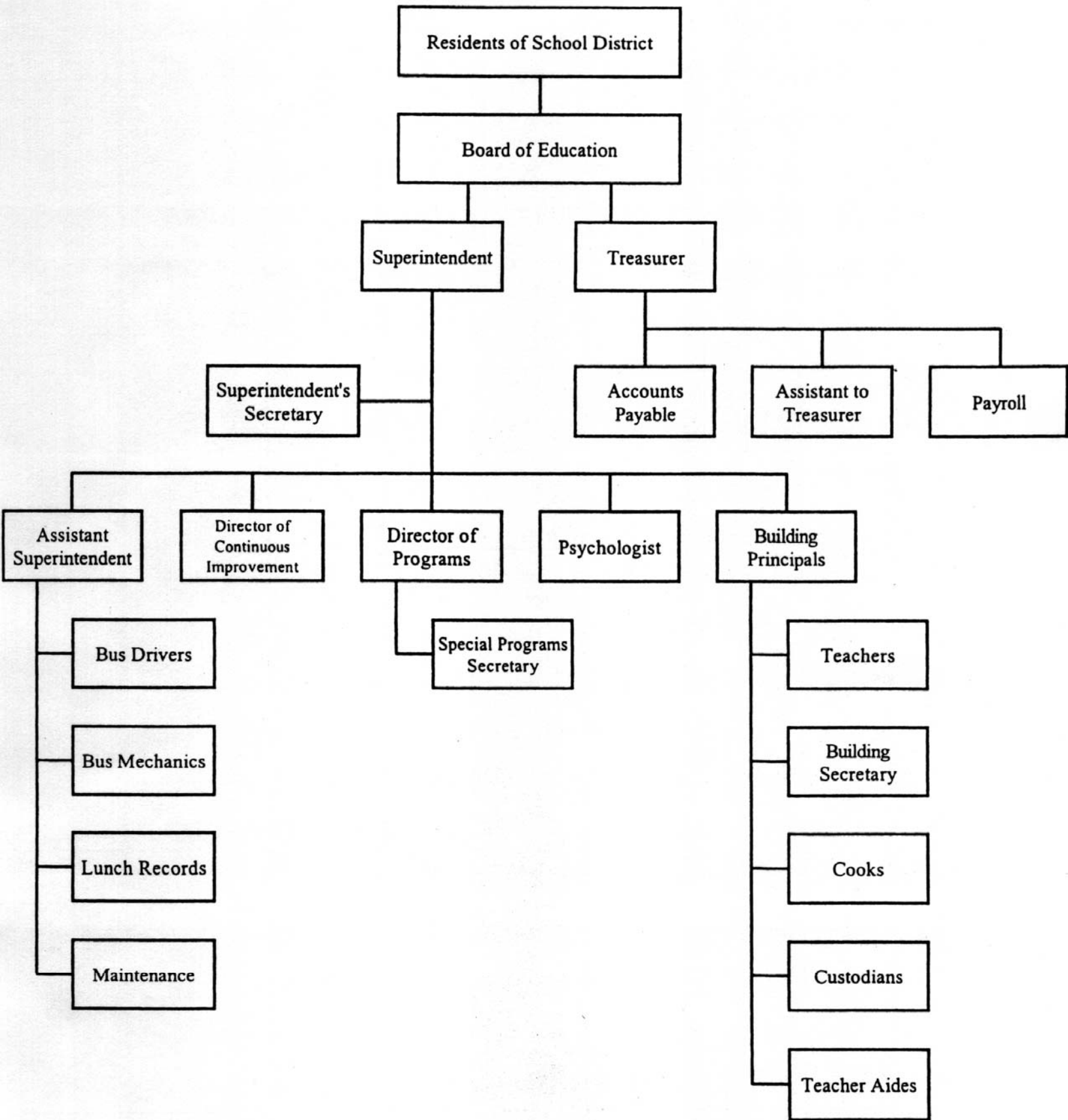
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Superintendent Euggle Robertson
Treasurer Jenni L. Logan
Assistant Superintendent..... Roger Ramsey
Director of Programs..... Stephen Martin
Director of Continuous Improvement.....Rick Teeters
Principal, Waverly High SchoolDavid Surrey
Principal, North Junior High.....Michael Roback
Assistant Principal, North Junior High Ed Dickens
Principal, West Elementary Ruth Teeters
Principal, East Elementary Cheryl Francis
Assistant Principal, East Elementary William Hobbs

Waverly City School District



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FINANCIAL SECTION



Waverly East Primary School, 200 E. Fifth Street, Waverly, OH 45690

Waverly East Primary School currently houses 459 students in Preschool through Grade 2. When constructed in 1954, the building served as an elementary school for Grades 1 through 8. An addition was added in 1986, and the building was converted to a Primary School for the 1988-1989 school year.

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BALESTRA & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639 E-Mail: mbalcpa@bright.net

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Waverly City School District
500 East Second Street
Waverly, Ohio 45690

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 (the District), Pike County, as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2002, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2002, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Members of the Board
Waverly City School District
Independent Auditor's Report
Page 2

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Balestra & Company

Balestra & Company
December 9, 2002

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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, 2002. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June 1999.

Government-wide Financial Statements

Financial Highlights

- The assets of Waverly City School District exceeded its liabilities at June 30, 2002 by \$45,719,224.
- In total, net assets decreased by \$158,839, which represents a decrease of three tenths of a percent from 2001.
- General revenues accounted for \$12,061,823 or 78 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,316,353 or 22 percent of total revenues of \$15,378,176.
- The School District had \$15,537,015 in expenses related to governmental activities; only \$3,316,353 of these expenses were offset by program specific charges for services, grants or contributions.
- Construction on new classroom facilities buildings began in fiscal year 2001 and continued in 2002 with expenditures of \$3,867,710.

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 the construction capital projects fund.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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 2002?” The *Statement of Net Assets* and the *Statements 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 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 reports 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 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 Statements 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, 2002
Unaudited

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 2002 and 2001:

(Table 1)
Net Assets

	2002	2001
Governmental Activities		
Assets		
Current and Other Assets	\$52,120,660	\$62,033,009
Capital Assets	9,446,946	6,535,463
Total Assets	61,567,606	68,568,472
Liabilities		
Long-Term Liabilities	(9,831,359)	(9,707,056)
Other Liabilities	(6,017,023)	(12,983,353)
Total Liabilities	(15,848,382)	(22,690,409)
Net Assets		
Invested in Capital Assets, Net of Related Debt	8,316,620	5,228,431
Restricted	32,690,996	36,158,580
Unrestricted	4,711,608	4,491,052
Total Net Assets	\$45,719,224	\$45,878,063

Total assets decreased \$7,000,866. This was primarily due to a decrease in cash and cash equivalents related to the School District's repayment of \$8,086,000 in short-term school improvement bond anticipation notes, as well as increases in regular instruction expenses for salary and fringe benefits increases.

Table 2 shows the changes in net assets for fiscal year 2002.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

(Table 2)
Change in Net Assets

	2002	2001
Revenues		
Program Revenues:		
Charges for Services	\$621,763	\$459,581
Operating Grants and Contributions	2,632,270	2,152,351
Capital Grants and Contributions	62,320	145,870
Total Program Revenues	3,316,353	2,757,802
General Revenues:		
Property Taxes	3,700,687	3,372,688
Grants and Entitlements not Restricted to Specific Programs	7,644,603	43,146,697
Investment Earnings	522,908	666,613
Gifts and Donations	42,132	0
Miscellaneous	151,493	202,680
Total General Revenues	12,061,823	47,388,678
 Total Revenues	 \$15,378,176	 \$50,146,480
		(continued)

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

(Table 2)
Change in Net Assets
(continued)

	2002	2001
Program Expenses		
Instruction		
Regular	7,277,328	5,924,366
Special	1,248,682	1,109,969
Vocational	123,634	149,069
Other	0	45,511
Support Services		
Pupils	827,551	607,246
Instructional Staff	816,270	947,256
Board of Education	46,775	38,851
Administration	1,017,178	973,537
Fiscal	445,742	360,285
Business	0	44,894
Operation and Maintenance of Plant	1,054,328	1,068,241
Pupil Transportation	788,353	797,019
Central	19,844	16,224
Operation of Non-Instructional Services		
Food Services	699,050	645,419
Other	864	605
Extracurricular Activities	412,523	414,154
Intergovernmental	297,617	42,109
Interest and Fiscal Charges	461,276	256,783
Total Expenses	15,537,015	13,441,538
Increase in Net Assets	(\$158,839)	\$36,704,942

Governmental Activities

Grants and Entitlements made up 67 percent of revenues for governmental activities of the Waverly City School District for fiscal year 2002. The Ohio School Facilities Commission Program is providing 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 56 percent of governmental program expenses. Support services expenses make up 32 percent of governmental expenses.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The Statement of Activities shows the cost of program services and the charges for services and grants 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 2002	Total Cost of Services 2001	Net Cost of Services 2002	Net Cost of Services 2001
Instruction	\$8,649,644	\$7,228,915	\$6,934,487	\$5,878,300
Support Services	5,016,041	4,853,553	4,445,915	4,213,675
Operation of Non-				
Instructional Services	699,914	646,024	96,774	104,584
Extracurricular Activities	412,523	414,154	266,196	237,698
Intergovernmental	297,617	42,109	16,014	(7,304)
Interest and Fiscal Charges	461,276	256,783	461,276	256,783
Total Expenses	\$15,537,015	\$13,441,538	\$12,220,662	\$10,683,736

Program revenues increased by \$558,551, due mainly to an increase in restricted grants received from other governments. Grants and entitlements not restricted for specific purposes decreased by \$35,502,094. In fiscal year 2001, the School District recognized \$36,836,323 in general revenues related to unrestricted capital grants from the Ohio School Facilities Commission Program.

Program expenses increased by \$2,095,477, due primarily to an increase of in instruction expenses related to increases in salaries and fringe benefits. In addition, expenses for interest and fiscal charges increased, as the School District made its first interest payment on the school improvement bond anticipation notes during the fiscal year.

The School District's Funds

Information about the School District's major funds start on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$24,378,138 and expenditures and other financing uses of \$18,434,542. The net change in fund balance for the year was most significant in the construction capital projects fund, an increase of \$5,609,394. This was due to the \$9,027,088 received from the Ohio School Facilities Commission Program.

The fund balance in the General Fund increased by \$567,811. General fund receipts increased in fiscal year 2002 by \$1,471,229, due primarily to an increase in state foundation settlements, including parity aid receipts. The increase in receipts was offset by an increase in expenditures, due in large part to increases in expenditures for regular instruction and support services for pupils.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

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 2002 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

The School District's ending unobligated cash balance was \$980,691 above the final budgeted amount in the General Fund.

For the general fund, budget basis revenue was \$11,672,221 with original budget estimates of \$11,918,462. This 2% difference was due primarily to tax revenues coming in lower than estimates on the original budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2002 the School District had \$9,446,946 invested in land, construction in progress, buildings and improvements, furniture and equipment, vehicles and books and educational media. Table 4 shows fiscal year 2002 balances compared to 2001:

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

	2002	2001
Land	\$852,800	\$852,800
Construction in Progress	3,557,407	582,946
Land Improvements	418,783	350,792
Buildings and Improvements	3,101,954	3,203,146
Furniture and Equipment	896,061	1,011,978
Vehicles	619,941	533,801
Book and Educational Media	0	0
Totals	\$9,446,946	\$6,535,463

The primary increase occurred in construction in progress. This is due to the continuation of construction of a new high school, middle school and two elementary schools, which were begun in 2001 and are in the primary planning and development stage.

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Debt

At June 30, 2002 the School District had \$8,763,109 in bonds and loans outstanding, \$235,186 due within one year. Table 5 summarizes bonds and notes outstanding:

(Table 5)
Outstanding Debt, at Year End

	2002	2001
Loans Payable		
1998-Energy Conservation Loan	\$613,161	\$675,944
General Obligation Bonds:		
2001-Classroom Facilities Bonds	8,122,948	8,087,429
Totals	\$8,736,109	\$8,763,373

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, with interest rates ranging from 4.00%-5.10%, and maturity dates of December 1, 2002 to December 1, 2021. \$1,200,000 are term bonds with an interest rate of 5.10% and a maturity date of December 1, 2023. \$275,906 are capital appreciation bonds, with maturity dates of December 1, 2006 and 2007, with a maturity amount of \$280,000 each year. The capital appreciation bonds were accreted \$35,519 in fiscal year 2002. As of June 30, 2002, \$461,165 of the bond proceeds had been spent toward the project. The bond value at final maturity will be \$8,370,000.

The School District's overall legal debt margin was \$4,549,944 with an unvoted debt margin of \$138,066 and an Energy Conservation debt margin of \$629,435 at June 30, 2002.

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

Current Issues

Externally, the State of Ohio was found by the Ohio Supreme Court in March, 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable". Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. Waverly City School District has benefited drastically.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Although considered a low wealth district, Waverly City School District is financially stable, and has been over the past several years. 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 future of our School District is difficult to predict. The financial situation is stable at the present time, however, the school funding lawsuit against the State of Ohio is not yet finalized, and the School District is unable to predict what effect, if any, the decision may have on its financial operations. Waverly City School District is very concerned with the outcome of this decision because the School District receives such a substantial amount of funding from the State of Ohio.

The student enrollment remains stable and is projected to gradually increase for the next several years. The continued growth in student enrollment and the continued business and residential growth in the School District will provide additional income for the School District and will help offset any reductions, if any, in state funding due to the court decision.

With careful planning and monitoring of our finances, Waverly City School District's Board of Education is committed to providing a quality education for our students and a secure financial future for the School District.

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 Jenni L. Logan, Chief Financial Officer of Waverly City Board of Education, 500 East Second Street, Waverly, OH 45690-1297 or e-mail at jlogan@scoca-k12.org.

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Basic Financial Statements

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Waverly City School District

Statement of Net Assets

June 30, 2002

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$20,855,049
Accrued Interest Receivable	96,341
Prepaid Items	46,415
Materials and Supplies Inventory	30,157
Intergovernmental Receivable	26,882,469
Taxes Receivable	4,084,213
Deferred Charges	126,016
Capital Assets:	
Land and Construction in Progress	4,410,207
Depreciable Capital Assets, Net	<u>5,036,739</u>
<i>Total Assets</i>	<u>61,567,606</u>
Liabilities	
Accounts Payable	49,194
Contracts Payable	783,798
Accrued Wages	1,106,651
Matured Compensated Absences Payable	41,545
Intergovernmental Payable	340,160
Deferred Revenue	3,653,861
Undistributed Monies	202
Accrued Interest Payable	41,612
Long-Term Liabilities:	
Due Within One Year	393,222
Due Within More Than One Year	<u>9,438,137</u>
<i>Total Liabilities</i>	<u>15,848,382</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	8,316,620
Restricted for:	
Capital Projects	32,189,667
Debt Service	239,627
Other Purposes	261,702
Unrestricted (Deficit)	<u>4,711,608</u>
<i>Total Net Assets</i>	<u>\$45,719,224</u>

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$7,277,328	\$199,866	\$1,077,976	\$62,320
Special	1,248,682	15,969	331,635	0
Vocational	123,634	0	27,391	0
Support Services:				
Pupil	827,551	9,284	15,211	0
Instructional Staff	816,270	19,933	368,531	0
Board of Education	46,775	0	0	0
Administration	1,017,178	9,517	98,038	0
Fiscal	445,742	0	542	0
Operation and Maintenance of Plant	1,054,328	3,955	0	0
Pupil Transportation	788,353	146	37,954	0
Central	19,844	0	7,015	0
Operation of Non-Instructional Services:				
Food Services	699,050	226,742	376,231	0
Other	864	0	167	0
Extracurricular Activities	412,523	136,351	9,976	0
Intergovernmental	297,617	0	281,603	0
Interest and Fiscal Charges	461,276	0	0	0
<i>Total Governmental Activities</i>	<u>\$15,537,015</u>	<u>\$621,763</u>	<u>\$2,632,270</u>	<u>\$62,320</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

 Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Gifts and Donations

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental
Activities

(\$5,937,166)
(901,078)
(96,243)

(803,056)
(427,806)
(46,775)
(909,623)
(445,200)
(1,050,373)
(750,253)
(12,829)

(96,077)
(697)
(266,196)
(16,014)
(461,276)

(12,220,662)

3,359,660
280,578
60,449
7,644,603
522,908
42,132
151,493

12,061,823

(158,839)

45,878,063

\$45,719,224

Waverly City School District

Balance Sheet

Governmental Funds

June 30, 2002

	<u>General</u>	<u>Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,234,321	\$15,023,444	\$540,208	\$20,797,973
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	57,076	0	0	57,076
Receivables:				
Taxes	3,467,080	0	617,133	4,084,213
Intergovernmental	0	26,665,234	217,235	26,882,469
Accrued Interest	37,343	58,998	0	96,341
Interfund Receivable	22,627	0	3,993	26,620
Prepaid Items	45,839	0	576	46,415
Materials and Supplies Inventory	19,499	0	10,658	30,157
<i>Total Assets</i>	<u>\$8,883,785</u>	<u>\$41,747,676</u>	<u>\$1,389,803</u>	<u>\$52,021,264</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$43,749	\$0	\$5,445	\$49,194
Contracts Payable	0	783,798	0	783,798
Accrued Wages	955,229	0	151,422	1,106,651
Matured Compensated Absences Payable	41,545	0	0	41,545
Interfund Payable	3,993	0	22,627	26,620
Intergovernmental Payable	163,698	0	21,944	185,642
Deferred Revenue	3,263,725	26,684,284	792,340	30,740,349
Undistributed Monies	202	0	0	202
<i>Total Liabilities</i>	<u>4,472,141</u>	<u>27,468,082</u>	<u>993,778</u>	<u>32,934,001</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	347,097	2,292,007	55,043	2,694,147
Reserved for Property Taxes	142,715	0	39,507	182,222
Reserved for Budget Stabilization	57,076	0	0	57,076
Unreserved:				
Undesignated, Reported in:				
General Fund	3,864,756	0	0	3,864,756
Special Revenue Funds	0	0	59,270	59,270
Debt Service Fund	0	0	182,607	182,607
Capital Projects Funds	0	11,987,587	59,598	12,047,185
<i>Total Fund Balances</i>	<u>4,411,644</u>	<u>14,279,594</u>	<u>396,025</u>	<u>19,087,263</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,883,785</u>	<u>\$41,747,676</u>	<u>\$1,389,803</u>	<u>\$52,021,264</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, 2002*

Total Governmental Fund Balances \$19,087,263

*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	852,800	
Construction in progress	3,557,407	
Other capital assets	13,447,034	
Accumulated depreciation	<u>(8,410,295)</u>	
Total capital assets		9,446,946

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	177,142	
Intergovernmental	26,882,469	
Interest	<u>26,877</u>	
		27,086,488

Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds (154,518)

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. 126,016

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	(8,736,109)	
Premium on debt issue	(126,104)	
Accrued interest on bonds	(41,612)	
Capital leases	(56,000)	
Compensated absences	<u>(913,146)</u>	
Total liabilities		<u>(9,872,971)</u>

Net Assets of Governmental Activities \$45,719,224

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, 2002

	General	Construction	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$3,099,070	\$234,419	\$335,661	\$3,669,150
Intergovernmental	8,067,749	9,027,088	2,117,933	19,212,770
Interest	227,140	304,357	0	531,497
Tuition and Fees	183,261	0	28,535	211,796
Extracurricular Activities	0	0	163,593	163,593
Customer Services	15,282	0	226,742	242,024
Rent	3,955	0	395	4,350
Gifts and Donations	42,132	0	13,164	55,296
Miscellaneous	93,748	3,000	54,745	151,493
<i>Total Revenues</i>	<u>11,732,337</u>	<u>9,568,864</u>	<u>2,940,768</u>	<u>24,241,969</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,421,904	740,728	804,335	6,966,967
Special	887,529	0	263,623	1,151,152
Vocational	122,075	0	0	122,075
Support Services:				
Pupil	744,191	0	31,721	775,912
Instructional Staff	436,786	0	446,365	883,151
Board of Education	46,775	0	0	46,775
Administration	883,406	0	105,235	988,641
Fiscal	355,439	64,386	22,311	442,136
Operation and Maintenance of Plant	1,023,502	0	0	1,023,502
Pupil Transportation	858,821	0	33,085	891,906
Central	9,817	0	6,085	15,902
Operation of Non-Instructional Services - Food Services	0	0	646,606	646,606
Operation of Non-Instructional Services - Other	3,982	0	788	4,770
Extracurricular Activities	222,682	0	176,825	399,507
Capital Outlay	44,669	3,126,982	0	3,171,651
Intergovernmental	0	0	297,617	297,617
Debt Service:				
Principal Retirement	19,368	0	62,783	82,151
Interest and Fiscal Charges	2,863	27,374	385,441	415,678
<i>Total Expenditures</i>	<u>11,083,809</u>	<u>3,959,470</u>	<u>3,282,820</u>	<u>18,326,099</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>648,528</u>	<u>5,609,394</u>	<u>(342,052)</u>	<u>5,915,870</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	500	0	0	500
Inception of Capital Lease	27,226	0	0	27,226
Transfers In	0	0	108,443	108,443
Transfers Out	(108,443)	0	0	(108,443)
<i>Total Other Financing Sources (Uses)</i>	<u>(80,717)</u>	<u>0</u>	<u>108,443</u>	<u>27,726</u>
<i>Net Change in Fund Balances</i>	567,811	5,609,394	(233,609)	5,943,596
<i>Fund Balances at Beginning of Year - Restated (Note 20)</i>	<u>3,843,833</u>	<u>8,670,200</u>	<u>629,634</u>	<u>13,143,667</u>
<i>Fund Balances at End of Year</i>	<u>\$4,411,644</u>	<u>\$14,279,594</u>	<u>\$396,025</u>	<u>\$19,087,263</u>

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, 2002*

Net Change in Fund Balances - Total Governmental Funds \$5,943,596

*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	3,554,193	
Depreciation expense	<u>(620,772)</u>	
Excess of capital outlay over depreciation expense		2,933,421

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of the capital assets are removed from the capital asset account in the statement of net assets and offset against the proceeds from the sale of capital assets resulting in a loss on the sale of capital assets in the statement of activities.

Proceeds from Sale of Capital Assets	(500)	
Loss on Disposal of Capital Assets	<u>(21,438)</u>	
		(21,938)

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.

Delinquent Property Taxes	31,537	
Intergovernmental	(8,886,741)	
Interest	<u>(8,589)</u>	
		(8,863,793)

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

Amortization of bond issuance costs	(5,737)	
Amortization of bond premium	<u>5,743</u>	
		6

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.

(27,226)

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	62,783	
Capital lease payments	<u>19,368</u>	
Total long-term debt repayment		82,151

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 accrued interest	(10,085)	
Increase in compensated absences	(149,452)	
Increase in intergovernmental payable	(10,000)	
Accretion on bonds	<u>(35,519)</u>	
Total additional expenditures		<u>(205,056)</u>

Change in Net Assets of Governmental Activities (\$158,839)

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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$3,203,772	\$3,203,772	\$3,080,802	(\$122,970)
Intergovernmental	7,973,292	7,973,292	7,950,326	(22,966)
Interest	327,502	327,502	305,060	(22,442)
Tuition and Fees	189,198	189,198	183,261	(5,937)
Customer Services	29,953	29,953	15,282	(14,671)
Rent	3,955	3,955	3,955	0
Gifts and Donations	42,132	42,132	42,132	0
Miscellaneous	148,658	148,658	91,403	(57,255)
<i>Total Revenues</i>	11,918,462	11,918,462	11,672,221	(246,241)
Expenditures:				
Current:				
Instruction:				
Regular Instruction	4,983,666	5,813,529	5,434,168	379,361
Special Instruction	835,233	923,611	853,972	69,639
Vocational Instruction	139,859	151,864	143,156	8,708
Support Services:				
Pupils	622,513	785,074	726,584	58,490
Instructional Staff	392,034	533,603	446,874	86,729
Board of Education	38,895	57,912	54,103	3,809
Administration	818,791	1,027,580	921,020	106,560
Fiscal	333,822	405,096	368,668	36,428
Operation and Maintenance of Plant	1,092,335	1,315,833	1,108,009	207,824
Pupil Transportation	878,609	1,205,425	976,834	228,591
Central	11,929	15,203	13,662	1,541
Operation of Non-Instructional Services				
Food Services	4,450	5,189	3,982	1,207
Extracurricular Activities	218,166	244,668	221,364	23,304
Capital Outlay	163,675	102,379	85,467	16,912
<i>Total Expenditures</i>	10,533,977	12,586,966	11,357,863	1,229,103
Excess of Revenues Over (Under) Expenditures	1,384,485	(668,504)	314,358	982,862
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	775	775	500	(275)
Refund of Prior Year Expenditures	86,418	86,418	86,418	0
Advances Out	(15,000)	(15,000)	(22,627)	(7,627)
Operating Transfers In	6,579	6,579	6,579	0
Operating Transfers Out	(114,393)	(114,393)	(108,662)	5,731
<i>Total Other Financing Sources (Uses)</i>	(35,621)	(35,621)	(37,792)	(2,171)
Net Change in Fund Balance	1,348,864	(704,125)	276,566	980,691
Fund Balances at Beginning of Year	4,180,654	4,180,654	4,180,654	0
Unexpended Prior Year Encumbrances	451,382	451,382	451,382	0
<i>Fund Balances at End of Year</i>	\$5,980,900	\$3,927,911	\$4,908,602	\$980,691

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2002

Assets:

Equity in Pooled Cash and Cash Equivalents	<u>\$36,151</u>
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<i>Total Assets</i>	<u><u>\$36,151</u></u>
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Liabilities:

Undistributed Monies	<u>\$36,151</u>
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<i>Total Liabilities</i>	<u><u>\$36,151</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, 2002

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 92 non-certificated employees, 134 certificated full-time teaching personnel and 15 administrative employees who provide services to 2,050 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 activities are 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. These 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 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.

The following entities which perform activities within the School District’s boundaries for the benefit of its residents are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

- City of Waverly
- Parent Teacher Organization
- Pike County Board of Education
- Booster Groups
- Alumni Associations

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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 general purpose 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.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

The statement of net assets presents the financial condition of the governmental activities of the School District at 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 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

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 is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Construction Fund - The construction fund is used 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.

The other governmental funds of the School District account for grants and other resources, debt service, and capital projects of the School District, 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 activities which consist of a student body, student president, student treasurer, and faculty advisor. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (i.e., revenues) and decreases (i.e., 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.

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.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 nonexchange transactions must also be available before it can be recognized.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and interest.

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, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2002, the District invested in the State Treasury Asset Reserve of Ohio (STAROhio), money market mutual funds, Federal Home Loan Bank bonds, Federal Home Loan Mortgage Corporation bonds, Federal National Mortgage Association bonds, Federal Farm Credit Bank bonds and Student Loan Marketing Association bonds. Except for non-participating investment contracts, 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, 2002.

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 2002 amounted to \$227,140, which includes \$159,188 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

Inventories consist of donated food and consumable supplies.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, 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 is reported in the year in which services are consumed.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the 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 enabling legislation. Restricted assets in the general fund include 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) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred 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 and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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 Receivables" and "Interfund Payables." These amounts are eliminated in the governmental activities columns 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.

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees will be paid.

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, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term loans and capital leases are recognized as a liability on the government-wide financial statements when due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

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.

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

N. Fund Balance Reserves

The School District reserves those portions of fund equity 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 equity 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.

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

Bond discounts 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 discounts and the compounded interest on the capital appreciation bonds are presented as an reduction/addition of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 on 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 certificate of estimated resources may be amended during the 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 final amended certificate issued during fiscal year 2002.

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

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2002, the Food Services, Latchkey, Preschool, Disadvantaged Pupil Impact Aid, Alternative Education, Title I, and Title VI-R nonmajor special revenue funds had deficit fund balances of \$26,211, \$10,878, \$18,676, \$19,541, \$15,199, \$37,603 and \$18,704, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

The Alternative Education, Drug Free Schools, and Title VI-R Special Revenue Funds had appropriations in excess of estimated resources for the fiscal year ended June 30, 2002, in the amounts of \$245, \$4,862, and \$9, respectively. The District will monitor budgetary controls more closely in the future to alleviate this situation.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - 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.
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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	\$567,811
Adjustments:	
Revenue Accruals	34,129
Net Increase in Fair Value of Investments	(7,827)
Expenditure Accruals	83,520
Encumbrances	(384,800)
Transfers	6,360
Advances	(22,627)
Budget Basis	\$276,566

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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 accounts, including passbook accounts.

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

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury, or any other obligation guaranteed as to principal and interest by the United States;
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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in *GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."*

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$2,884,643 and the bank balance was \$3,677,645. Of the bank balance, \$100,000 was covered by federal depository insurance and \$3,577,645 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	<u>Unclassified</u>	<u>Category 2</u>	<u>Fair Value</u>
STAR Ohio	\$6,156,059	\$0	\$6,156,059
Money Market Mutual Funds	12,357	0	12,357
Federal Home Loan Bank Bonds	0	4,412,897	4,412,897
Federal Home Loan Mortgage Corporation Bonds	0	3,583,749	3,583,749
Federal National Mortgage Association Bonds	0	2,444,793	2,444,793
Federal Farm Credit Bank Bonds	0	901,852	901,852
Student Loan Marketing Association Bonds	0	494,850	494,850
Totals	<u>\$6,168,416</u>	<u>\$11,838,141</u>	<u>\$18,006,557</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in *GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."*

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

	Cash and Cash Equivalents/Deposits	Investments
<i>GASB Statement No. 9</i>	\$20,891,200	\$0
Investments:		
STAR Ohio	(6,156,059)	6,156,059
Money Market Mutual Funds	(12,357)	12,357
Federal Home Loan Bank Bonds	(4,412,897)	4,412,897
Federal Home Loan Mortgage Corporation Bonds	(3,583,749)	3,583,749
Federal National Mortgage Association Bonds	(2,444,793)	2,444,793
Federal Farm Credit Bank Bonds	(901,852)	901,852
Student Loan Marketing Association Bonds	(494,850)	494,850
<i>GASB Statement No. 3</i>	\$2,884,643	\$18,006,557

NOTE 6 - 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 located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2002 real property taxes are collected in and intended to finance fiscal year 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 6 - PROPERTY TAXES (continued)

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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, the June 2002 tangible personal property tax settlement was not received until July 2002.

The assessed values upon which fiscal year 2002 taxes were collected are:

	2001 Second- Half Collections		2002 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$104,310,020	73.50%	\$103,127,340	74.69%
Public Utility	11,948,020	8.42%	9,982,750	7.23%
Tangible Personal Property	25,656,945	18.08%	24,956,078	18.08%
Total Assessed Value	\$141,914,985	100.00%	\$138,066,168	100.00%
Tax rate per \$1,000 of assessed valuation	\$37.12		\$37.12	

The School District receives property taxes from Pike County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding, the late settlement of personal property taxes and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2002, 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, collectible delinquent taxes, and the amount available as an advance at June 30 was levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations.

At June 30, 2002, \$142,715 was available as an advance to the general fund and \$39,507 was available in the non-major governmental funds. 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 is deferred.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 7 - RECEIVABLES

Receivables at June 30, 2002, consisted of property taxes, accounts (student fees), accrued interest, and intergovernmental (billings for user charged services). All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Classroom Facilities Grant	\$26,665,234
Title VI-B	61,217
Title I	110,067
Title VI	8,291
Drug Free Schools	6,912
Title VI-R	<u>30,748</u>
Total Intergovernmental Receivables	<u><u>\$26,882,469</u></u>

During fiscal 2001, the School District was awarded \$36,836,323 for the renovations and additions to the District's buildings under the State's "Classroom Facilities Program." Under this program, the School District entered into an agreement with the State of Ohio in which the State initially paid for a portion of the estimated project costs. As part of the process, the School District maintains a fund into which a one-half mill levy is receipted for facilities maintenance. In addition, the School District must submit a maintenance plan to the Ohio School Facilities Commission every five years until the twenty-three year period expired. As of June 30, 2002, the School District had received \$10,171,089 of the amount awarded under this program.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Ending Balance 6/30/2001	Additions	Deletions	Ending Balance 6/30/2002
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$852,800	\$0	\$0	\$852,800
Construction in Progress	582,946	2,974,461	0	3,557,407
Total Capital Assets, Not Being Depreciated	<u>1,435,746</u>	<u>2,974,461</u>	<u>0</u>	<u>4,410,207</u>
Capital Assets Being Depreciated				
Land Improvements	1,030,602	106,244	0	1,136,846
Buildings and Improvements	6,751,333	89,947	0	6,841,280
Furniture and Equipment	3,124,784	177,487	(134,582)	3,167,689
Vehicles	1,475,373	206,054	(70,360)	1,611,067
Books and Educational Media	690,152	0	0	690,152
Total Capital Assets, Being Depreciated	<u>13,072,244</u>	<u>579,732</u>	<u>(204,942)</u>	<u>13,447,034</u>
Less Accumulated Depreciation:				
Land Improvements	(679,810)	(38,253)	0	(718,063)
Buildings and Improvements	(3,548,187)	(191,139)	0	(3,739,326)
Furniture and Equipment	(2,112,806)	(283,696)	124,874	(2,271,628)
Vehicles	(941,572)	(107,684)	58,130	(991,126)
Books and Educational Media	(690,152)	0	0	(690,152)
Total Accumulated Depreciation	<u>(7,972,527)</u>	<u>(620,772) *</u>	<u>183,004</u>	<u>(8,410,295)</u>
Total Capital Assets Being Depreciated, Net	<u>5,099,717</u>	<u>(41,040)</u>	<u>(21,938)</u>	<u>5,036,739</u>
Governmental Activities Capital Assets, Net	<u>\$6,535,463</u>	<u>\$2,933,421</u>	<u>(\$21,938)</u>	<u>\$9,446,946</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 8 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$330,499
Special	13,026
Vocational	153
Support Services:	
Pupil	6,369
Instructional Staff	3,965
Administration	26,255
Fiscal	4,564
Operation and Maintenance of Plant	61,279
Pupil Transportation	96,271
Central	3,942
Operation of Non-Instruction Services:	
Food Services	1,855
Other	59,604
Extracurricular Activities	12,990
Total Depreciation Expense	\$620,772

NOTE 9 - RISK MANAGEMENT

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. During fiscal year 2002, the School District contracted with Nationwide Insurance for fleet insurance and Cincinnati Insurance for property insurance. Coverage is as follows:

Building and Contents - replacement cost (\$1,000 deductible)	\$24,303,974
Blanket Business - Personal Property	\$4,974,158
Inland Marine Coverage (\$100 deductible)	\$33,150
Boiler and Machinery (\$250 deductible)	\$300,000
Crime Insurance (\$100 deductible)	\$6,000
Automobile Liability (\$1,000 deductible for buses; \$250 for other)	1,000,000

During fiscal year 2002, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity 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 District pays this annual premium to the OSP. (See Note 18)

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 9 - RISK MANAGEMENT (continued)

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

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
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 reduction in coverage from the prior year.

The Ohio Casualty 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 \$5,000 blanket bond for other employees.

For fiscal year 2002, the School District participated in the Ohio School Boards Association 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 Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

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 State statute per 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, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current 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 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was 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 contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$124,135, \$44,678, and \$81,887, respectively; 56.39 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$54,133 represents the unpaid contribution for fiscal year 2002.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2001, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$640,937, \$498,757, and \$349,331, respectively; 86.34 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$87,525 represents the unpaid contribution for fiscal year 2002.

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/State Teachers Retirement System. As of June 30, 2002, 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 (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most 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 funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$303,602 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 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. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, an decrease of 1.26 percent from fiscal year 2001. 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 2002, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$218,361.

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 annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving 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.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 12 - EMPLOYEE BENEFITS (continued)

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 personnel and 200 days for all classified personnel. Upon retirement, payment is made to employees for 40 percent of accrued, but unused sick leave credit to a maximum of 50 days plus 10 percent of accrued, but unused sick leave credit over 75 days to the maximum of 220 days for certified employees and a maximum of 200 for classified employees.

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.

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 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In 2002, the School District entered into a lease for duplicating equipment. In previous years, the School District entered into a lease for a modular building. The terms of both agreements provide an option to purchase the asset. The leases meet 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.

Capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$92,226 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets for governmental activities. Principal payments in fiscal year 2002 totaled \$19,368.

The assets acquired through capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Modular Classroom	\$65,000	\$13,000	\$52,000
Copier Equipment	27,226	5,445	21,781
Totals	\$92,226	\$18,445	\$73,781

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 13 - CAPITALIZED 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, 2002:

Fiscal Year Ending June 30,	Total Payments
2003	\$36,310
2004	14,079
2005	10,037
Total Minimum Lease Payments	60,426
Less: Amount Representing Interest	(4,426)
Present Value of Net Minimum Lease Payments	\$56,000

NOTE 14 - FUND OBLIGATIONS

A summary of the short-term note transactions for the year ended June 30, 2002 follows:

	Amount Outstanding 6/30/01	Additions	Deductions	Amount Outstanding 6/30/02
School Improvement Bond				
Anticipation Notes - 4.875%	\$8,086,000	\$0	\$8,086,000	\$0

On December 21, 2000, the School District issued notes in the amount of \$8,086,000. The notes were issued in anticipation of the Classroom Facilities General Obligation Bonds for the purpose of building new school facilities. The notes had a maturity date of July 25, 2001, and were retired with Classroom Facilities Bonds proceeds.

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2002 were as follows:

	Amount Outstanding 6/30/01	Additions	Deductions	Amount Outstanding 6/30/02	Amounts Due in One Year
<u>Governmental Activities:</u>					
1998 Energy Conservation					
Loan - 4.35%	\$675,944	\$0	\$62,783	\$613,161	\$65,186
2001 Classroom Facilities General					
Obligation Bonds - 4.00% - 5.10%	8,087,429	35,519	0	8,122,948	170,000
Premium on Debt Issue	131,847	0	5,743	126,104	5,732
Compensated Absences	763,694	239,680	90,228	913,146	117,496
Capital Leases	48,142	27,226	19,368	56,000	34,808
Total Governmental Activities					
Long-Term Obligations	\$9,707,056	\$302,425	\$178,122	\$9,831,359	\$393,222

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

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, with interest rates ranging from 4.00%-5.10%, and maturity dates of December 1, 2002, to December 1, 2021. \$1,200,000 are term bonds with an interest rate of 5.10% and a maturity date of December 1, 2023. \$275,906 are capital appreciation bonds, with maturity dates of December 1, 2006, and 2007, with a maturity amount of \$280,000 each year. The capital appreciation bonds were accreted \$35,519 in fiscal year 2002. As of June 30, 2002, \$461,165 of the bond proceeds had been spent toward the project. The bond value at final maturity will be \$8,370,000.

The current interest bonds maturing December 1, 2023, (fiscal year 2024) are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2022, and on each December thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Year</u>	<u>Amount</u>
2022	\$585,000

Unless otherwise called for redemption, the remaining \$615,000 principal amount of the bonds due December 1, 2023, is to be paid at stated maturity.

The current interest bonds maturing after December 1, 2011, are subject to optional redemption, in whole or in part on any date in any order of maturity as determined by the School District and by lot within a maturity, at the option of the Board of Education on or after December 1, 2010, at the redemption price of 100%.

The capital appreciation bonds are not subject to redemption prior to scheduled maturity.

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

The School District's overall legal debt margin was \$4,549,944 with an unvoted debt margin of \$138,066, and an Energy Conservation debt margin of \$629,435 at June 30, 2002.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2002, are as follows:

Energy Conservation Loan - 1998			
Fiscal year Ending June 30,	Principal	Interest	Total
2003	\$65,186	\$27,167	\$92,353
2004	68,084	24,269	92,353
2005	71,111	21,242	92,353
2006	74,272	18,081	92,353
2007	77,574	14,779	92,353
2008-2010	256,934	20,576	277,510
Total	\$613,161	\$126,114	\$739,275

Classroom Facilities General Obligation Bonds - 2001			
Fiscal year Ending June 30,	Principal	Interest	Total
2003	\$170,000	\$365,803	\$535,803
2004	190,000	358,603	548,603
2005	200,000	350,803	550,803
2006	255,000	341,703	596,703
2007	280,000	336,602	616,602
2008-2012	1,535,000	1,582,329	3,117,329
2013-2017	2,005,000	1,191,939	3,196,939
2018-2022	2,535,000	637,895	3,172,895
2023-2024	1,200,000	61,964	1,261,964
Total	\$8,370,000	\$5,227,641	\$13,597,641

NOTE 16 - INTERFUND ACTIVITY

A. Interfund Transfers

Transfers made during the year ended June 30, 2002, were as follows:

Transfer To	Transfer From General Fund
Debt Service	\$92,353
Food Service	16,090
Total	\$108,443

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 16 - INTERFUND ACTIVITY (continued)

B. Interfund Receivables/Payables

As of June 30, 2002, receivables and payables that resulted from various interfund transactions were as follows:

		Payable				Total
		General	Latchkey	Title VI-R	Uniform School Supplies	
Receivable	General	\$0	\$10,878	\$6,217	\$5,532	\$22,627
	Debt Service	3,561	0	0	0	3,561
	Classroom Facilities Maintenance	432	0	0	0	432
	Total	<u>\$3,993</u>	<u>\$10,878</u>	<u>\$6,217</u>	<u>\$5,532</u>	<u>\$26,620</u>

The amounts due to the Debt Service and Classroom Facilities Maintenance funds from the general fund resulted from misposted tax receipts due to errors in settlement distributions. 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

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 Adams, Brown, Highland, Pike, Ross, Scioto, 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 \$17,216 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.

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 two representatives 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.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (continued)

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 Council 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 Council 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 Council. The School District paid \$300 to the Coalition for services provided during the year.

Pilasco-Ross Special Education Regional Resource Center – The Pilasco-Ross Special Education Regional Resource Center (Pilasco-Ross) 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.

Pilasco-Ross is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of chartered nonpublic schools, representatives of county boards of MR/DD, Shawnee State University, and the Southeast Regional Professional Development 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 Waverly City School District's Superintendent, Euggle Robertson, is on the Pilasco-Ross Board. Financial information can be obtained by contacting the fiscal agent, Steve Sites, Treasurer, at Dawson-Bryant Local School District, 222 Lane Street, Coal Grove, Ohio 45638.

NOTE 18 - INSURANCE PURCHASING POOLS

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-Hyre 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-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

Ohio Association of School Business Officials Workers' Compensation Group Rating Plan - The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts 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, 2002

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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

For fiscal year ended June 30, 2002, the School District was no longer required to set aside funds in the budget reserve, with the exception of monies received from the Bureau of Workers' Compensation, which must be retained for budget stabilization or spent for specified purposes.

The following cash-basis information describes the change in the 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, 2001	(\$332,519)	\$0	\$57,076
Current Year Set-aside Requirement	253,260	253,260	0
Current Year Offsets	0	(92,348)	0
Qualifying Disbursements	(488,125)	(172,721)	0
Totals	<u>(\$567,384)</u>	<u>(\$11,809)</u>	<u>\$57,076</u>
Set-aside Reserve Balance as of June 30, 2002	<u>\$0</u>	<u>\$0</u>	<u>\$57,076</u>
Required Set-aside Balances Carried Forward to FY 2002	<u>(\$567,384)</u>	<u>\$0</u>	<u>\$57,076</u>

Although the School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside and capital acquisition set-aside amounts below zero, only the amount for the textbook 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 – CORRECTION OF ERROR

During fiscal year 2002, errors were discovered that related to inventory. This resulted in the following restatement of fund balance:

Restatement of Fund Balance

	<u>Other Governmental Funds</u>
Fund Balance, June 30, 2001, as reported	\$622,643
Restatement of Inventory	6,991
Fund Balance, June 30, 2001, as restated	<u>\$629,634</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 21 – CONSTRUCTION COMMITMENTS

The School District contracted for the design and construction of new buildings and renovations to existing buildings. Work is in the preliminary stage and the majority of the construction remains to be completed. The outstanding construction commitments at June 30, 2002 are:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At June 30, 2002</u>
BBL Construction Services	\$2,342,360	\$423,937	\$1,918,423
Triad Architects, Inc.	2,629,708	1,900,246	729,462
George J. Igel & Company, Inc.	2,879,800	1,162,907	1,716,893
Sidewinder Electric Company, Inc.	561,000	89,112	471,888
Total	<u>\$8,412,868</u>	<u>\$3,576,202</u>	<u>\$4,836,666</u>

NOTE 22 - 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, 2002.

B. Litigation

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

NOTE 23 – STATE SCHOOL-FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”.

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

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES



Waverly West Intermediate School, 410 Clough Street, Waverly, OH 45690

Waverly West Intermediate School currently houses 459 students in Grades 3 through 5. When constructed in 1957, the building served as an elementary school for Grades 1 through 8. An addition was added in 1972, and the building was converted to an Intermediate School for the 1988-1989 school year.

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Waverly City School District
Combining Statements and Individual Fund 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 expendable trusts, or 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.

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.

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.

Waverly City School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

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.

DISADVANTAGED PUPIL IMPACT AID

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

ONENET

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

SCHOOLNET PROFESSIONAL DEVELOPMENT

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

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

SUMMER SCHOOL

To account for State money used for summer school programs.

ALTERNATIVE EDUCATION

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

EXTENDED LEARNING

To account for State monies and expenditures for educational programs for children most at-risk of not passing the reading portion of the fourth grade proficiency exam.

EISENHOWER GRANT

Provision of funds for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning. These funds are also used for staff development and the purchase of materials and supplies.

Waverly City School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

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.

E-RATE

To account for monies refunded from telecommunications vendors. This money will be used to pay future telecommunications bills or will be transferred to the general fund.

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.

SCHOOL TO WORK

To account for monies received to aide in the transition of students from graduation to employment in the workforce.

Nonmajor 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. There is only one debt service fund.

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.

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.

STUDENT MANAGED ACTIVITY FUND

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, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$310,244	\$170,366	\$59,598	\$540,208
Receivables:				
Taxes	89,982	527,151	0	617,133
Intergovernmental	217,235	0	0	217,235
Interfund Receivable	432	3,561	0	3,993
Prepaid Items	576	0	0	576
Materials and Supplies Inventory	10,658	0	0	10,658
 <i>Total Assets</i>	 \$629,127	 \$701,078	 \$59,598	 \$1,389,803
 <u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$5,445	\$0	\$0	\$5,445
Accrued Wages	151,422	0	0	151,422
Interfund Payable	22,627	0	0	22,627
Intergovernmental Payable	21,944	0	0	21,944
Deferred Revenue	302,680	489,660	0	792,340
 <i>Total Liabilities</i>	 504,118	 489,660	 0	 993,778
 Fund Balances				
Reserved for Encumbrances	55,043	0	0	55,043
Reserved for Property Taxes	10,696	28,811	0	39,507
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	59,270	0	0	59,270
Debt Service Funds	0	182,607	0	182,607
Capital Projects Funds	0	0	59,598	59,598
 <i>Total Fund Balances</i>	 125,009	 211,418	 59,598	 396,025
 <i>Total Liabilities and Fund Balances</i>	 \$629,127	 \$701,078	 \$59,598	 \$1,389,803

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$59,772	\$275,889	\$0	\$335,661
Intergovernmental	2,051,295	4,318	62,320	2,117,933
Tuition and Fees	28,535	0	0	28,535
Extracurricular Activities	163,593	0	0	163,593
Customer Services	226,742	0	0	226,742
Rent	395	0	0	395
Gifts and Donations	13,164	0	0	13,164
Miscellaneous	54,745	0	0	54,745
<i>Total Revenues</i>	<u>2,598,241</u>	<u>280,207</u>	<u>62,320</u>	<u>2,940,768</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	708,185	0	96,150	804,335
Special	263,623	0	0	263,623
Support Services:				
Pupil	31,721	0	0	31,721
Instructional Staff	446,365	0	0	446,365
Administration	105,235	0	0	105,235
Fiscal	1,040	21,271	0	22,311
Pupil Transportation	33,085	0	0	33,085
Central	6,085	0	0	6,085
Operation of Non-Instructional Services - Food Services	646,606	0	0	646,606
Operation of Non-Instructional Services - Other	788	0	0	788
Extracurricular Activities	176,825	0	0	176,825
Intergovernmental	297,617	0	0	297,617
Debt Service:				
Principal Retirement	0	62,783	0	62,783
Interest and Fiscal Charges	0	385,441	0	385,441
<i>Total Expenditures</i>	<u>2,717,175</u>	<u>469,495</u>	<u>96,150</u>	<u>3,282,820</u>
<i>Excess of Revenues Under Expenditures</i>	(118,934)	(189,288)	(33,830)	(342,052)
<u>Other Financing Sources:</u>				
Transfers In	16,090	92,353	0	108,443
<i>Net Change in Fund Balances</i>	(102,844)	(96,935)	(33,830)	(233,609)
<i>Fund Balances at Beginning of Year</i>	<u>227,853</u>	<u>308,353</u>	<u>93,428</u>	<u>629,634</u>
<i>Fund Balances at End of Year</i>	<u>\$125,009</u>	<u>\$211,418</u>	<u>\$59,598</u>	<u>\$396,025</u>

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

	Food Services	Uniform School Supplies	Public School Support
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$19	\$10,564	\$43,219
Receivables:			
Taxes	0	0	0
Intergovernmental	0	0	0
Interfund Receivable	0	0	0
Prepaid Items	576	0	0
Materials and Supplies Inventory	10,658	0	0
<i>Total Assets</i>	\$11,253	\$10,564	\$43,219
 <u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$0	\$3,554	\$818
Accrued Wages	33,240	0	0
Interfund Payable	0	5,532	0
Intergovernmental Payable	4,224	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	37,464	9,086	818
 <u>Fund Balances:</u>			
Reserved for Encumbrances	0	7,009	2,198
Reserved for Property Taxes	0	0	0
Unreserved, Undesignated (Deficit)	(26,211)	(5,531)	40,203
<i>Total Fund Balances (Deficit)</i>	(26,211)	1,478	42,401
<i>Total Liabilities and Fund Balances</i>	\$11,253	\$10,564	\$43,219

<u>Latchkey</u>	<u>Underground Storage Tank</u>	<u>Classroom Facilities Maintenance</u>	<u>Athletics</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>
\$0	\$11,000	\$91,308	\$56,647	\$1,668	\$666
0	0	89,982	0	0	0
0	0	0	0	0	0
0	0	432	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$0</u>	<u>\$11,000</u>	<u>\$181,722</u>	<u>\$56,647</u>	<u>\$1,668</u>	<u>\$666</u>

\$0	\$0	\$0	\$91	\$797	\$0
0	0	0	0	0	0
10,878	0	0	0	0	0
0	0	0	0	0	0
0	0	85,445	0	0	0
<u>10,878</u>	<u>0</u>	<u>85,445</u>	<u>91</u>	<u>797</u>	<u>0</u>

0	0	0	3,189	1,466	639
0	0	10,696	0	0	0
<u>(10,878)</u>	<u>11,000</u>	<u>85,581</u>	<u>53,367</u>	<u>(595)</u>	<u>27</u>
<u>(10,878)</u>	<u>11,000</u>	<u>96,277</u>	<u>56,556</u>	<u>871</u>	<u>666</u>
<u>\$0</u>	<u>\$11,000</u>	<u>\$181,722</u>	<u>\$56,647</u>	<u>\$1,668</u>	<u>\$666</u>

(continued)

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002
(continued)

	Education Management Information Systems	Preschool	Disadvantaged Pupil Impact Aid
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$9,803	\$0	\$0
Receivables:			
Taxes	0	0	0
Intergovernmental	0	0	0
Interfund Receivable	0	0	0
Prepaid Items	0	0	0
Materials and Supplies Inventory	0	0	0
 <i>Total Assets</i>	 \$9,803	 \$0	 \$0
 <u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	16,284	17,617
Interfund Payable	0	0	0
Intergovernmental Payable	0	2,392	1,924
Deferred Revenue	0	0	0
 <i>Total Liabilities</i>	 0	 18,676	 19,541
 <u>Fund Balances:</u>			
Reserved for Encumbrances	9,803	0	0
Reserved for Property Taxes	0	0	0
Unreserved, Undesignated (Deficit)	0	(18,676)	(19,541)
 <i>Total Fund Balances (Deficit)</i>	 9,803	 (18,676)	 (19,541)
 <i>Total Liabilities and Fund Balances</i>	 \$9,803	 \$0	 \$0

OneNet	SchoolNet Professional Development	Ohio Reads	Alternative Education	Extended Learning	Eisenhower Grant
\$14,000	\$8,592	\$16,399	\$551	\$755	\$724
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>\$14,000</u>	<u>\$8,592</u>	<u>\$16,399</u>	<u>\$551</u>	<u>\$755</u>	<u>\$724</u>
\$0	\$0	\$0	\$185	\$0	\$0
0	0	0	13,482	0	0
0	0	0	0	0	0
0	0	0	2,083	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>15,750</u>	<u>0</u>	<u>0</u>
14,000	0	15,399	551	755	0
0	0	0	0	0	0
0	8,592	1,000	(15,750)	0	724
<u>14,000</u>	<u>8,592</u>	<u>16,399</u>	<u>(15,199)</u>	<u>755</u>	<u>724</u>
<u>\$14,000</u>	<u>\$8,592</u>	<u>\$16,399</u>	<u>\$551</u>	<u>\$755</u>	<u>\$724</u>

(continued)

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002
(continued)

	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$14,916	\$26,854	\$1,199
Receivables:			
Taxes	0	0	0
Intergovernmental	61,217	110,067	8,291
Interfund Receivable	0	0	0
Prepaid Items	0	0	0
Materials and Supplies Inventory	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$76,133</u>	<u>\$136,921</u>	<u>\$9,490</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	3,475	56,494	0
Interfund Payable	0	0	0
Intergovernmental Payable	1,701	7,963	0
Deferred Revenue	61,217	110,067	8,291
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>66,393</u>	<u>174,524</u>	<u>8,291</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	0	0	0
Reserved for Property Taxes	0	0	0
Unreserved, Undesignated (Deficit)	9,740	(37,603)	1,199
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances (Deficit)</i>	<u>9,740</u>	<u>(37,603)</u>	<u>1,199</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$76,133</u>	<u>\$136,921</u>	<u>\$9,490</u>

Drug Free Schools	Title VI-R	Total Nonmajor Special Revenue Funds
\$1,360	\$0	\$310,244
0	0	89,982
6,912	30,748	217,235
0	0	432
0	0	576
<u>0</u>	<u>0</u>	<u>10,658</u>
<u>\$8,272</u>	<u>\$30,748</u>	<u>\$629,127</u>
\$0	\$0	\$5,445
0	10,830	151,422
0	6,217	22,627
0	1,657	21,944
<u>6,912</u>	<u>30,748</u>	<u>302,680</u>
<u>6,912</u>	<u>49,452</u>	<u>504,118</u>
34	0	55,043
0	0	10,696
<u>1,326</u>	<u>(18,704)</u>	<u>59,270</u>
<u>1,360</u>	<u>(18,704)</u>	<u>125,009</u>
<u>\$8,272</u>	<u>\$30,748</u>	<u>\$629,127</u>

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, 2002

	Food Services	Uniform School Supplies	Public School Support
	<u> </u>	<u> </u>	<u> </u>
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	376,231	0	0
Tuition and Fees	0	6,257	0
Extracurricular Activities	0	0	27,242
Customer Services	226,742	0	0
Rent	0	0	395
Gifts and Donations	0	0	3,188
Miscellaneous	0	0	27,638
	<u>602,973</u>	<u>6,257</u>	<u>58,463</u>
<i>Total Revenues</i>			
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	17,920	20,211
Special	0	0	1,341
Support Services:			
Pupil	0	0	11,868
Instructional Staff	0	0	1,686
Administration	0	0	18,587
Fiscal	0	0	0
Pupil Transportation	0	0	285
Central	0	0	0
Operation of Non-Instructional Services - Food Services	646,606	0	0
Operation of Non-Instructional Services - Other	0	0	0
Extracurricular Activities	0	0	0
Intergovernmental	0	0	0
	<u>646,606</u>	<u>17,920</u>	<u>53,978</u>
<i>Total Expenditures</i>			
Excess of Revenues Over (Under) Expenditures	(43,633)	(11,663)	4,485
<u>Other Financing Sources:</u>			
Transfers In	16,090	0	0
	<u>16,090</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(27,543)	(11,663)	4,485
<i>Fund Balances (Deficit) at Beginning of Year</i>	1,332	13,141	37,916
	<u>1,332</u>	<u>13,141</u>	<u>37,916</u>
<i>Fund Balances (Deficit) at End of Year</i>	(\$26,211)	\$1,478	\$42,401
	<u><u>(\$26,211)</u></u>	<u><u>\$1,478</u></u>	<u><u>\$42,401</u></u>

<u>Latchkey</u>	<u>Underground Storage Tank</u>	<u>Classroom Facilities Maintenance</u>	<u>Athletics</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>
\$0	\$0	\$59,772	\$0	\$0	\$0
0	0	542	0	34,793	0
22,278	0	0	0	0	0
0	0	0	136,351	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	9,976	0	0
0	0	0	27,021	0	0
<u>22,278</u>	<u>0</u>	<u>60,314</u>	<u>173,348</u>	<u>34,793</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
4,545	0	0	0	0	0
26,997	0	0	0	0	0
0	0	0	0	0	0
0	0	1,040	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	606
0	0	0	176,825	0	0
0	0	0	0	48,556	0
<u>31,542</u>	<u>0</u>	<u>1,040</u>	<u>176,825</u>	<u>48,556</u>	<u>606</u>
(9,264)	0	59,274	(3,477)	(13,763)	(606)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(9,264)	0	59,274	(3,477)	(13,763)	(606)
<u>(1,614)</u>	<u>11,000</u>	<u>37,003</u>	<u>60,033</u>	<u>14,634</u>	<u>1,272</u>
<u>(\$10,878)</u>	<u>\$11,000</u>	<u>\$96,277</u>	<u>\$56,556</u>	<u>\$871</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, 2002
(continued)

	Education Management Information Systems	Preschool	Disadvantaged Pupil Impact Aid
	<u> </u>	<u> </u>	<u> </u>
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	7,765	124,450	509,769
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Customer Services	0	0	0
Rent	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Total Revenues</i>	<u>7,765</u>	<u>124,450</u>	<u>509,769</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	250	116,666	317,965
Special	0	0	0
Support Services:			
Pupil	401	0	0
Instructional Staff	0	13,165	130,932
Administration	0	0	0
Fiscal	0	0	0
Pupil Transportation	0	0	0
Central	6,085	0	0
Operation of Non-Instructional Services - Food Services	0	0	0
Operation of Non-Instructional Services - Other	0	0	0
Extracurricular Activities	0	0	0
Intergovernmental	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Total Expenditures</i>	<u>6,736</u>	<u>129,831</u>	<u>448,897</u>
Excess of Revenues Over (Under) Expenditures	1,029	(5,381)	60,872
<u>Other Financing Sources:</u>			
Transfers In	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Net Change in Fund Balances</i>	1,029	(5,381)	60,872
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>8,774</u>	<u>(13,295)</u>	<u>(80,413)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$9,803</u></u>	<u><u>(\$18,676)</u></u>	<u><u>(\$19,541)</u></u>

<u>OneNet</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Summer School</u>	<u>Alternative Education</u>	<u>Extended Learning</u>
\$0	\$0	\$0	\$0	\$0	\$0
14,000	7,592	32,000	0	50,384	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
0	0	0	0	0	0
<u>14,000</u>	<u>7,592</u>	<u>32,000</u>	<u>0</u>	<u>50,384</u>	<u>0</u>
0	0	14,580	14,867	106,078	1,300
0	0	0	0	0	0
0	0	0	0	0	0
0	2,130	1,021	0	0	9,787
0	0	0	0	2,463	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
0	0	0	0	0	0
<u>0</u>	<u>2,130</u>	<u>15,601</u>	<u>14,867</u>	<u>108,541</u>	<u>11,087</u>
14,000	5,462	16,399	(14,867)	(58,157)	(11,087)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14,000	5,462	16,399	(14,867)	(58,157)	(11,087)
<u>0</u>	<u>3,130</u>	<u>0</u>	<u>14,867</u>	<u>42,958</u>	<u>11,842</u>
<u>\$14,000</u>	<u>\$8,592</u>	<u>\$16,399</u>	<u>\$0</u>	<u>(\$15,199)</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, 2002
(continued)

	Eisenhower Grant	Title VI-B	Title I
	<hr/>	<hr/>	<hr/>
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	16,322	113,546	443,432
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Customer Services	0	0	0
Rent	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	16,322	113,546	443,432
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	262,282
Support Services:			
Pupil	0	0	14,907
Instructional Staff	26,200	29,005	205,442
Administration	0	69,668	14,517
Fiscal	0	0	0
Pupil Transportation	0	32,800	0
Central	0	0	0
Operation of Non-Instructional Services - Food Services	0	0	0
Operation of Non-Instructional Services - Other	182	0	0
Extracurricular Activities	0	0	0
Intergovernmental	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	26,382	131,473	497,148
Excess of Revenues Over (Under) Expenditures	(10,060)	(17,927)	(53,716)
<u>Other Financing Sources:</u>			
Transfers In	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Balances</i>	(10,060)	(17,927)	(53,716)
<i>Fund Balances (Deficit) at Beginning of Year</i>	10,784	27,667	16,113
	<hr/>	<hr/>	<hr/>
<i>Fund Balances (Deficit) at End of Year</i>	\$724	\$9,740	(\$37,603)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Title VI</u>	<u>Drug Free Schools</u>	<u>E-Rate</u>	<u>Title VI-R</u>	<u>School To Work</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$0	\$0	\$59,772
12,040	1,949	0	57,419	249,061	2,051,295
0	0	0	0	0	28,535
0	0	0	0	0	163,593
0	0	0	0	0	226,742
0	0	0	0	0	395
0	0	0	0	0	13,164
0	0	86	0	0	54,745
<u>12,040</u>	<u>1,949</u>	<u>86</u>	<u>57,419</u>	<u>249,061</u>	<u>2,598,241</u>
12,199	7,594	0	76,123	2,432	708,185
0	0	0	0	0	263,623
0	0	0	0	0	31,721
0	0	0	0	0	446,365
0	0	0	0	0	105,235
0	0	0	0	0	1,040
0	0	0	0	0	33,085
0	0	0	0	0	6,085
0	0	0	0	0	646,606
0	0	0	0	0	788
0	0	0	0	0	176,825
0	0	0	0	249,061	297,617
<u>12,199</u>	<u>7,594</u>	<u>0</u>	<u>76,123</u>	<u>251,493</u>	<u>2,717,175</u>
(159)	(5,645)	86	(18,704)	(2,432)	(118,934)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,090</u>
(159)	(5,645)	86	(18,704)	(2,432)	(102,844)
<u>1,358</u>	<u>7,005</u>	<u>(86)</u>	<u>0</u>	<u>2,432</u>	<u>227,853</u>
<u>\$1,199</u>	<u>\$1,360</u>	<u>\$0</u>	<u>(\$18,704)</u>	<u>\$0</u>	<u>\$125,009</u>

Waverly City School District
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2002

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$8,747	\$50,851	\$59,598
<i>Total Assets</i>	\$8,747	\$50,851	\$59,598
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
<i>Total Liabilities</i>	0	0	0
<u>Fund Balances:</u>			
Unreserved, Undesignated	8,747	50,851	59,598
<i>Total Fund Balances</i>	8,747	50,851	59,598
<i>Total Liabilities and Fund Balances</i>	\$8,747	\$50,851	\$59,598

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, 2002

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>			
Intergovernmental	\$0	\$62,320	\$62,320
<i>Total Revenues</i>	<u>0</u>	<u>62,320</u>	<u>62,320</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	96,150	96,150
<i>Total Expenditures</i>	<u>0</u>	<u>96,150</u>	<u>96,150</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(33,830)</u>	<u>(33,830)</u>
<i>Net Change in Fund Balances</i>	0	(33,830)	(33,830)
<i>Fund Balances at Beginning of Year</i>	<u>8,747</u>	<u>84,681</u>	<u>93,428</u>
<i>Fund Balances at End of Year</i>	<u><u>\$8,747</u></u>	<u><u>\$50,851</u></u>	<u><u>\$59,598</u></u>

Waverly City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2002

	<u>Balance at</u> <u>6/30/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/02</u>
<u>STUDENT MANAGED ACTIVITY</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$36,827</u>	<u>\$44,306</u>	<u>\$44,982</u>	<u>\$36,151</u>
Total Assets	<u><u>\$36,827</u></u>	<u><u>\$44,306</u></u>	<u><u>\$44,982</u></u>	<u><u>\$36,151</u></u>
Liabilities				
Undistributed Monies	<u>\$36,827</u>	<u>\$44,306</u>	<u>\$44,982</u>	<u>\$36,151</u>
Total Liabilities	<u><u>\$36,827</u></u>	<u><u>\$44,306</u></u>	<u><u>\$44,982</u></u>	<u><u>\$36,151</u></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, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$3,203,772	\$3,203,772	\$3,080,802	(\$122,970)
Intergovernmental	7,973,292	7,973,292	7,950,326	(22,966)
Interest	327,502	327,502	305,060	(22,442)
Tuition and Fees	189,198	189,198	183,261	(5,937)
Customer Services	29,953	29,953	15,282	(14,671)
Rent	3,955	3,955	3,955	0
Gifts and Donations	42,132	42,132	42,132	0
Miscellaneous	148,658	148,658	91,403	(57,255)
<i>Total Revenues</i>	<i>11,918,462</i>	<i>11,918,462</i>	<i>11,672,221</i>	<i>(246,241)</i>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	3,598,746	4,031,949	3,825,108	206,841
Fringe Benefits	747,386	944,742	867,745	76,997
Purchased Services	147,591	282,296	217,867	64,429
Materials and Supplies	273,717	419,799	396,650	23,149
Capital Outlay - New	204,793	125,276	117,995	7,281
Capital Outlay - Replacement	726	1,726	1,650	76
Other	10,707	7,741	7,153	588
<i>Total Regular Instruction</i>	<i>4,983,666</i>	<i>5,813,529</i>	<i>5,434,168</i>	<i>379,361</i>
Special Instruction:				
Salaries and Wages	630,525	676,089	637,230	38,859
Fringe Benefits	152,522	178,484	153,389	25,095
Purchased Services	34,450	30,342	29,174	1,168
Materials and Supplies	13,349	31,559	27,376	4,183
Capital Outlay - New	3,659	6,009	5,685	324
Other	728	1,128	1,118	10
<i>Total Special Instruction</i>	<i>835,233</i>	<i>923,611</i>	<i>853,972</i>	<i>69,639</i>
Vocational Instruction:				
Salaries and Wages	103,024	108,447	106,316	2,131
Fringe Benefits	27,578	31,476	25,332	6,144
Purchased Services	1,575	2,821	1,906	915
Materials and Supplies	7,592	8,980	9,463	(483)
Other	90	140	139	1
<i>Total Vocational Instruction</i>	<i>\$139,859</i>	<i>\$151,864</i>	<i>\$143,156</i>	<i>\$8,708</i>
<i>Total Instruction</i>	<i>5,958,758</i>	<i>6,889,004</i>	<i>6,431,296</i>	<i>457,708</i>

(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, 2002
(Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries and Wages	332,883	448,574	425,728	22,846
Fringe Benefits	88,620	115,039	104,596	10,443
Purchased Services	165,883	182,007	173,935	8,072
Materials and Supplies	20,070	34,967	19,075	15,892
Capital Outlay - New	14,178	3,408	2,203	1,205
Other	879	1,079	1,047	32
Total Pupils	622,513	785,074	726,584	58,490
Instructional Staff:				
Salaries and Wages	238,475	299,253	275,058	24,195
Fringe Benefits	102,759	155,216	102,190	53,026
Purchased Services	22,387	56,106	49,335	6,771
Materials and Supplies	13,392	17,860	15,592	2,268
Capital Outlay - New	2,450	3,362	2,998	364
Capital Outlay - Replacement	443	150	60	90
Other	12,128	1,656	1,641	15
Total Instructional Staff	392,034	533,603	446,874	86,729
Board of Education:				
Salaries and Wages	6,000	6,320	6,320	0
Fringe Benefits	1,265	1,275	1,166	109
Purchased Services	6,302	12,555	9,779	2,776
Materials and Supplies	271	1,095	970	125
Other	25,057	36,667	35,868	799
Total Board of Education	38,895	57,912	54,103	3,809
Administration:				
Salaries and Wages	543,987	607,444	589,741	17,703
Fringe Benefits	162,623	245,561	172,115	73,446
Purchased Services	81,813	124,837	113,082	11,755
Materials and Supplies	22,713	34,984	33,156	1,828
Capital Outlay - New	4,470	10,600	9,755	845
Capital Outlay - Replacement	219	489	270	219
Other	2,966	3,665	2,901	764
Total Administration	\$818,791	\$1,027,580	\$921,020	\$106,560

(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, 2002
(Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fiscal:				
Salaries and Wages	\$126,665	\$138,000	\$133,385	\$4,615
Fringe Benefits	48,625	54,845	41,057	13,788
Purchased Services	41,704	70,697	57,364	13,333
Materials and Supplies	3,615	4,334	3,277	1,057
Capital Outlay - New	991	12,861	11,989	872
Other	112,222	124,359	121,596	2,763
Total Fiscal	333,822	405,096	368,668	36,428
Operation and Maintenance of Plant:				
Salaries and Wages	356,762	380,952	370,543	10,409
Fringe Benefits	155,086	166,606	131,873	34,733
Purchased Services	438,616	543,410	408,825	134,585
Materials and Supplies	120,343	178,278	154,633	23,645
Capital Outlay - New	20,894	27,603	24,817	2,786
Other	634	18,984	17,318	1,666
Total Operation and Maintenance of Plant	1,092,335	1,315,833	1,108,009	207,824
Pupil Transportation:				
Salaries and Wages	320,875	377,272	358,815	18,457
Fringe Benefits	186,760	187,060	176,131	10,929
Purchased Services	57,117	71,323	51,701	19,622
Materials and Supplies	107,109	162,615	138,847	23,768
Capital Outlay - New	42,782	82,949	2,887	80,062
Capital Outlay - Replacement	150,433	300,433	224,861	75,572
Other	13,533	23,773	23,592	181
Total Pupil Transportation	878,609	1,205,425	976,834	228,591
Central:				
Salaries and Wages	11,929	12,403	10,862	1,541
Fringe Benefits	0	1,435	1,435	0
Capital Outlay - New	0	1,365	1,365	0
Total Central	11,929	15,203	13,662	1,541
Total Support Services	\$4,188,928	\$5,345,726	\$4,615,754	\$729,972

(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, 2002
(Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operation of Non-Instructional Services:				
Services:				
Food Service Operations:				
Salaries and Wages	\$720	\$920	\$910	\$10
Fringe Benefits	124	158	156	2
Purchased Services	0	5	5	0
Materials and Supplies	3,257	3,757	2,911	846
Capital Outlay - New	349	349	0	349
Total Operation of Non-Instructional Services:	4,450	5,189	3,982	1,207
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	24,775	25,653	24,056	1,597
Fringe Benefits	3,556	3,671	2,888	783
Purchased Services	1,437	3,437	1,704	1,733
Materials and Supplies	300	300	216	84
Total Academic and Subject Oriented Activities	30,068	33,061	28,864	4,197
Occupational Oriented Activities:				
Purchased Services	228	228	0	228
Sports Oriented Activities:				
Salaries and Wages	141,152	157,122	144,754	12,368
Fringe Benefits	20,590	23,375	20,614	2,761
Purchased Services	5,538	6,553	5,731	822
Materials and Supplies	3,000	3,560	3,046	514
Capital Outlay - New	3,685	5,185	4,449	736
Total Sports Oriented Activities	173,965	195,795	178,594	17,201
School and Public Service Activities:				
Salaries and Wages	12,507	14,007	12,566	1,441
Fringe Benefits	1,398	1,577	1,340	237
Total School and Public Service Activities:	13,905	15,584	13,906	1,678
Total Extracurricular Activities	\$218,166	\$244,668	\$221,364	\$23,304

(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, 2002
(Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Purchased Services	\$5,363	\$6,689	\$670	\$6,019
Capital Outlay - New	44,894	30,372	27,935	2,437
Total Site Acquisition Services	50,257	37,061	28,605	8,456
Site Improvement Services:				
Purchased Services	50,635	1,635	1,100	535
Building Acquisition and Construction Services:				
Salaries and Wages	0	5,200	5,153	47
Fringe Benefits	0	800	754	46
Purchased Services	20,210	31,210	25,189	6,021
Capital Outlay - New	73	73	0	73
Capital Outlay - Replacement	0	24,900	24,900	0
Other	304	304	(234)	538
Total Building Acquisition and Construction Services:	20,587	62,487	55,762	6,725
Building Improvement Services:				
Purchased Services	200	200	0	200
Capital Outlay - New	41,996	996	0	996
Total Building Improvement Services	42,196	1,196	0	1,196
Total Capital Outlay	163,675	102,379	85,467	16,912
<i>Total Expenditures</i>	<i>10,533,977</i>	<i>12,586,966</i>	<i>11,357,863</i>	<i>1,229,103</i>
Excess of Revenues Over (Under) Expenditures	1,384,485	(668,504)	314,358	982,862
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	775	775	500	(275)
Refund of Prior Year Expenditures	86,418	86,418	86,418	0
Advances-Out	(15,000)	(15,000)	(22,627)	(7,627)
Operating Transfers-In	6,579	6,579	6,579	0
Operating Transfers-Out	(114,393)	(114,393)	(108,662)	5,731
Total Other Financing Sources (Uses)	(35,621)	(35,621)	(37,792)	(2,171)
Net Change in Fund Balance	1,348,864	(704,125)	276,566	980,691
Fund Balance at Beginning of Year	4,180,654	4,180,654	4,180,654	0
Prior Year Encumbrances Appropriated	451,382	451,382	451,382	0
Fund Balance at End of Year	\$5,980,900	\$3,927,911	\$4,908,602	\$980,691

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, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$8,910,592	\$9,158,937	\$9,158,937	\$0
Interest	290,956	290,956	324,469	33,513
Miscellaneous	0	3,000	3,000	0
<i>Total Revenues</i>	<u>9,201,548</u>	<u>9,452,893</u>	<u>9,486,406</u>	<u>33,513</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Purchased Services	590,946	85,618	64,386	21,232
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Improvement Services:				
Capital Outlay - New	0	3,800,000	2,879,800	920,200
Architecture and Engineering Services:				
Purchased Services	0	2,495,928	2,495,119	809
Building Acquisition and Construction Services:				
Purchased Services	0	6,410	1,000	5,410
Total Capital Outlay	<u>0</u>	<u>6,302,338</u>	<u>5,375,919</u>	<u>926,419</u>
<i>Total Expenditures</i>	<u>590,946</u>	<u>6,387,956</u>	<u>5,440,305</u>	<u>947,651</u>
<i>Net Change in Fund Balance</i>	8,610,602	3,064,937	4,046,101	981,164
Fund Balance at Beginning of Year	<u>8,676,545</u>	<u>8,676,545</u>	<u>8,676,545</u>	<u>0</u>
Fund Balance at End of Year	<u>\$17,287,147</u>	<u>\$11,741,482</u>	<u>\$12,722,646</u>	<u>\$981,164</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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Sales	\$242,832	\$226,742	\$226,742	\$0
Federal and State Subsidies	332,250	332,250	332,267	17
<i>Total Revenues</i>	<u>575,082</u>	<u>558,992</u>	<u>559,009</u>	<u>17</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Food Service:				
Salaries	194,877	212,948	212,948	0
Fringe Benefits	76,608	88,131	88,131	0
Purchased Services	11,263	12,210	12,210	0
Materials and Supplies	259,591	285,596	285,596	0
Capital Outlay - New	634	0	0	0
Capital Outlay - Replacement	5,662	0	0	0
Other	636	978	978	0
<i>Total Expenditures</i>	<u>549,271</u>	<u>599,863</u>	<u>599,863</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	25,811	(40,871)	(40,854)	17
<u>Other Financing Sources:</u>				
Transfers-In	<u>0</u>	<u>16,090</u>	<u>16,090</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	25,811	(24,781)	(24,764)	17
Fund Balance at Beginning of Year	24,686	24,686	24,686	0
Prior Year Encumbrances Appropriated	<u>95</u>	<u>95</u>	<u>95</u>	<u>0</u>
Fund Balance at End of Year	<u>\$50,592</u>	<u>\$0</u>	<u>\$17</u>	<u>\$17</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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Tuition and Fees	\$6,257	\$6,257	\$6,257	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,617	25,356	25,356	0
Excess of Revenues Under Expenditures	2,640	(19,099)	(19,099)	0
<u>Other Financing Sources:</u>				
Advances-In	0	5,532	5,532	0
<i>Net Change in Fund Balance</i>	2,640	(13,567)	(13,567)	0
Fund Balance at Beginning of Year	105	105	105	0
Prior Year Encumbrances Appropriated	13,462	13,462	13,462	0
Fund Balance at End of Year	<u>\$16,207</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
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Rent	\$395	\$395	\$395	\$0
Extracurricular Activities	27,242	27,242	27,242	0
Gifts and Donations	3,188	3,188	3,188	0
Miscellaneous	27,551	27,551	27,551	0
<i>Total Revenues</i>	<u>58,376</u>	<u>58,376</u>	<u>58,376</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	18,965	30	27	3
Capital Outlay - New	0	25,403	20,444	4,959
Total Regular	18,965	25,433	20,471	4,962
Special:				
Purchased Services	1,124	1,341	1,341	0
Total Instruction	<u>20,089</u>	<u>26,774</u>	<u>21,812</u>	<u>4,962</u>
Support Services:				
Pupils:				
Purchased Services	3,523	3,865	3,713	152
Materials and Supplies	7,640	10,788	10,267	521
Capital Outlay - New	404	404	0	404
Capital Outlay - Replacement	0	115	115	0
Total Pupils	<u>11,567</u>	<u>15,172</u>	<u>14,095</u>	<u>1,077</u>
Instructional Staff:				
Purchased Services	1,901	2,791	1,502	1,289
Materials and Supplies	388	3,657	3,601	56
Total Instructional Staff	<u>\$2,289</u>	<u>\$6,448</u>	<u>\$5,103</u>	<u>\$1,345</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, 2002
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Board of Education:				
Materials and Supplies	\$8,692	\$8,341	\$6,111	\$2,230
Capital Outlay - New	0	688	688	0
Other	6,501	14,266	12,553	1,713
Total Board of Education	15,193	23,295	19,352	3,943
Pupil Transportation:				
Purchased Services	1,703	863	323	540
Total Support Services	30,752	45,778	38,873	6,905
<i>Total Expenditures</i>	<i>50,841</i>	<i>72,552</i>	<i>60,685</i>	<i>11,867</i>
Excess of Revenues Over (Under) Expenditures	7,535	(14,176)	(2,309)	11,867
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	87	87	87	0
<i>Net Change in Fund Balance</i>	<i>7,622</i>	<i>(14,089)</i>	<i>(2,222)</i>	<i>11,867</i>
Fund Balance at Beginning of Year	34,795	34,795	34,795	0
Prior Year Encumbrances Appropriated	7,632	7,632	7,632	0
Fund Balance at End of Year	\$50,049	\$28,338	\$40,205	\$11,867

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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Tuition and Fees	\$22,279	\$22,279	\$22,279	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	230	30	30	0
Fringe Benefits	748	766	766	0
Materials and Supplies	4,334	3,749	3,749	0
Total Pupils	5,312	4,545	4,545	0
Instructional Staff:				
Salaries and Wages	21,558	23,358	23,358	0
Fringe Benefits	3,423	3,639	3,639	0
Total Instructional Staff	24,981	26,997	26,997	0
Total Expenditures	30,293	31,542	31,542	0
Excess of Revenues Under Expenditures	(8,014)	(9,263)	(9,263)	0
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	10,877	10,877	10,877	0
Transfers-Out	(1,614)	(1,614)	(1,614)	0
Total Other Financing Sources (Uses)	9,263	9,263	9,263	0
Net Change in Fund Balance	1,249	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$1,249	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Underground Storage Tank Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
Fund Balance at Beginning of Year	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$11,000</u></u>	<u><u>\$11,000</u></u>	<u><u>\$11,000</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
Classroom Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$91,806	\$91,806	\$91,806	\$0
Intergovernmental	542	542	542	0
<i>Total Revenues</i>	92,348	92,348	92,348	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	2,000	2,000	1,040	960
<i>Net Change in Fund Balance</i>	90,348	90,348	91,308	960
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$90,348</u>	<u>\$90,348</u>	<u>\$91,308</u>	<u>\$960</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, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$136,351	\$136,351	\$136,351	\$0
Gifts and Donations	9,976	9,976	9,976	0
Miscellaneous	25,242	25,242	25,242	0
<i>Total Revenues</i>	<u>171,569</u>	<u>171,569</u>	<u>171,569</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	5,827	6,848	6,806	42
Materials and Supplies	19,227	21,323	15,612	5,711
Capital Outlay - New	883	883	0	883
Other	28,427	39,968	39,169	799
Total Academic and Subject Oriented Activities	<u>54,364</u>	<u>69,022</u>	<u>61,587</u>	<u>7,435</u>
Sports Oriented Activities:				
Purchased Services	46,776	53,486	50,122	3,364
Materials and Supplies	63,174	66,935	56,489	10,446
Capital Outlay - New	3,247	6,057	319	5,738
Other	2,320	14,286	13,689	597
Total Sports Oriented Activities	<u>115,517</u>	<u>140,764</u>	<u>120,619</u>	<u>20,145</u>
<i>Total Expenditures</i>	<u>169,881</u>	<u>209,786</u>	<u>182,206</u>	<u>27,580</u>
Excess of Revenues Over (Under) Expenditures	1,688	(38,217)	(10,637)	27,580
<u>Other Financing Sources:</u>				
Proceeds from Sale of Fixed Assets	1,779	1,779	1,779	0
<i>Net Change in Fund Balance</i>	3,467	(36,438)	(8,858)	27,580
Fund Balance at Beginning of Year	58,587	58,587	58,587	0
Prior Year Encumbrances Appropriated	3,639	3,639	3,639	0
Fund Balance at End of Year	<u>\$65,693</u>	<u>\$25,788</u>	<u>\$53,368</u>	<u>\$27,580</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, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$34,793	\$34,793	\$34,793	\$0
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	19,000	18,442	18,442	0
Fringe Benefits	2,935	2,872	2,872	0
Purchased Services	110	1,503	1,503	0
Materials and Supplies	10,076	10,375	10,375	0
Capital Outlay - New	7,002	17,279	17,279	0
<i>Total Expenditures</i>	<u>39,123</u>	<u>50,471</u>	<u>50,471</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(4,330)	(15,678)	(15,678)	0
Fund Balance at Beginning of Year	2	2	2	0
Prior Year Encumbrances Appropriated	<u>15,879</u>	<u>15,879</u>	<u>15,879</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$11,551</u></u>	<u><u>\$203</u></u>	<u><u>\$203</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
Teacher Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Purchased Services	0	639	639	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>0</u>	<u>605</u>	<u>605</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>1,244</u>	<u>1,244</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(1,244)	(1,244)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>1,272</u>	<u>1,272</u>	<u>1,272</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,272</u></u>	<u><u>\$28</u></u>	<u><u>\$28</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
Education Management Information Systems Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$7,765	\$7,765	\$7,765	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	5,803	5,803	0
Materials and Supplies	0	250	250	0
Total Instruction	0	6,053	6,053	0
Support Services:				
Pupils:				
Salaries and Wages	0	4,401	4,401	0
Central:				
Purchased Services	0	6,086	6,086	0
Total Support Services	0	10,487	10,487	0
<i>Total Expenditures</i>	0	16,540	16,540	0
<i>Net Change in Fund Balance</i>	7,765	(8,775)	(8,775)	0
Fund Balance at Beginning of Year	2,288	2,288	2,288	0
Prior Year Encumbrances Appropriated	6,487	6,487	6,487	0
Fund Balance at End of Year	<u>\$16,540</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
Preschool Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$129,467	\$129,467	\$129,467	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	85,241	88,244	88,244	0
Fringe Benefits	21,717	22,583	22,583	0
Capital Outlay - New	52	5,017	5,017	0
Total Instruction	107,010	115,844	115,844	0
Support Services:				
Instructional Staff:				
Salaries and Wages	13,604	11,326	11,326	0
Fringe Benefits	3,888	2,297	2,297	0
Total Support Services	17,492	13,623	13,623	0
<i>Total Expenditures</i>	124,502	129,467	129,467	0
Excess of Revenues Over Expenditures	4,965	0	0	0
<u>Other Financing Uses:</u>				
Transfers-Out	(4,965)	(4,965)	(4,965)	0
<i>Net Change in Fund Balance</i>	0	(4,965)	(4,965)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	4,965	4,965	4,965	0
Fund Balance at End of Year	\$4,965	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$509,769	\$509,769	\$509,769	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	347,618	298,523	298,523	0
Fringe Benefits	83,341	80,618	80,618	0
Total Instruction	430,959	379,141	379,141	0
Support Services:				
Instructional Staff:				
Salaries and Wages	93,184	89,709	89,709	0
Fringe Benefits	45,344	40,919	40,919	0
Total Support Services	138,528	130,628	130,628	0
<i>Total Expenditures</i>	569,487	509,769	509,769	0
<i>Net Change in Fund Balance</i>	(59,718)	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>(\$59,718)</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
OneNet Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$14,000	\$14,000	\$14,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	14,000	14,000	0
<i>Net Change in Fund Balance</i>	14,000	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$14,000</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
 SchoolNet Professional Development Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$4,120	\$4,120	\$7,592	\$3,472
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	1,470	2,845	2,845	0
<i>Net Change in Fund Balance</i>	2,650	1,275	4,747	3,472
Fund Balance at Beginning of Year	2,470	2,470	2,470	0
Prior Year Encumbrances Appropriated	1,375	1,375	1,375	0
Fund Balance at End of Year	<u>\$6,495</u>	<u>\$5,120</u>	<u>\$8,592</u>	<u>\$3,472</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, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$32,000	\$32,000	\$32,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	1,000	1,000	0
Purchased Services	16,200	13,200	13,200	0
Materials and Supplies	10,800	11,056	11,056	0
Capital Outlay - New	3,000	3,149	3,149	0
Total Instruction	30,000	28,405	28,405	0
Support Services:				
Instructional Staff:				
Purchased Services	2,595	2,595	2,595	0
<i>Total Expenditures</i>	<u>32,595</u>	<u>31,000</u>	<u>31,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(595)	1,000	1,000	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$595)</u></u>	<u><u>\$1,000</u></u>	<u><u>\$1,000</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
Summer School Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,441	8,441	8,441	0
Fringe Benefits	1,304	1,304	1,304	0
Materials and Supplies	5,122	5,122	5,122	0
<i>Total Expenditures</i>	<u>14,867</u>	<u>14,867</u>	<u>14,867</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(14,867)	(14,867)	(14,867)	0
Fund Balance at Beginning of Year	<u>14,867</u>	<u>14,867</u>	<u>14,867</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</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
Alternative Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$50,384	\$50,384	\$50,384	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	79,611	79,486	79,486	0
Fringe Benefits	16,485	16,666	16,666	0
Purchased Services	0	221	221	0
Materials and Supplies	2,490	2,490	2,490	0
Total Instruction	98,586	98,863	98,863	0
Support Services:				
Administration:				
Salaries and Wages	2,500	2,462	2,462	0
<i>Total Expenditures</i>	101,086	101,325	101,325	0
<i>Net Change in Fund Balance</i>	(50,702)	(50,941)	(50,941)	0
Fund Balance at Beginning of Year	50,696	50,696	50,696	0
Fund Deficit at End of Year	(\$6)	(\$245)	(\$245)	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Extended Learning Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,862	200	200	0
Fringe Benefits	0	31	31	0
Materials and Supplies	1,374	1,265	1,265	0
Total Instruction	<u>4,236</u>	<u>1,496</u>	<u>1,496</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Purchased Services	619	8,741	8,741	0
Materials and Supplies	0	3,023	3,023	0
Other	519	519	519	0
Total Support Services	<u>1,138</u>	<u>12,283</u>	<u>12,283</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,374</u>	<u>13,779</u>	<u>13,779</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(5,374)	(13,779)	(13,779)	0
Fund Balance at Beginning of Year	5,373	5,373	5,373	0
Prior Year Encumbrances Appropriated	<u>8,406</u>	<u>8,406</u>	<u>8,406</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$8,405</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
Eisenhower Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$16,322	\$16,322	\$16,322	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	14,765	25,100	25,100	0
Materials and Supplies	1,182	1,100	1,100	0
Total Support Services	15,947	26,200	26,200	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	557	182	182	0
<i>Total Expenditures</i>	16,504	26,382	26,382	0
<i>Net Change in Fund Balance</i>	(182)	(10,060)	(10,060)	0
Fund Balance at Beginning of Year	182	182	182	0
Prior Year Encumbrances Appropriated	10,602	10,602	10,602	0
Fund Balance at End of Year	<u>\$10,602</u>	<u>\$724</u>	<u>\$724</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-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$142,359	\$142,359	\$142,359	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	69,213	19,077	19,077	0
Fringe Benefits	24,785	8,933	8,933	0
Purchased Services	33,490	717	717	0
Total Instructional Staff	127,488	28,727	28,727	0
Administration:				
Salaries and Wages	60,939	55,881	55,871	10
Fringe Benefits	13,971	13,379	13,376	3
Purchased Services	600	479	479	0
Total Administration	75,510	69,739	69,726	13
Pupil Transportation:				
Purchased Services	4,387	32,800	32,800	0
<i>Total Expenditures</i>	207,385	131,266	131,253	13
<i>Net Change in Fund Balance</i>	(65,026)	11,093	11,106	13
Fund Balance at Beginning of Year	3,810	3,810	3,810	0
Fund Balance at End of Year	(\$61,216)	\$14,903	\$14,916	\$13

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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$493,941	\$493,941	\$493,941	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	229,249	183,499	183,387	112
Fringe Benefits	59,020	48,538	48,409	129
Total Instruction	288,269	232,037	231,796	241
Support Services:				
Pupils:				
Salaries and Wages	13,863	13,695	12,936	759
Fringe Benefits	4,829	4,084	4,084	0
Total Pupils	18,692	17,779	17,020	759
Instructional Staff:				
Salaries and Wages	206,578	156,784	156,773	11
Fringe Benefits	67,166	51,963	51,962	1
Total Instructional Staff	273,744	208,747	208,735	12
Administration:				
Salaries and Wages	15,118	11,824	11,824	0
Fringe Benefits	3,414	2,768	2,768	0
Total Administration	18,532	14,592	14,592	0
Total Support Services	310,968	241,118	240,347	771
Total Expenditures	599,237	473,155	472,143	1,012
Excess of Revenues Over Expenditures	(105,296)	20,786	21,798	1,012
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	(32,252)	(32,252)	(32,252)	0
Net Change in Fund Balance	(137,548)	(11,466)	(10,454)	1,012
Fund Balance at Beginning of Year	37,308	37,308	37,308	0
Fund Balance at End of Year	<u>(\$100,240)</u>	<u>\$25,842</u>	<u>\$26,854</u>	<u>\$1,012</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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$12,040	\$12,040	\$12,040	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	17,892	6,947	6,947	0
Capital Outlay - New	3,796	5,252	5,252	0
<i>Total Expenditures</i>	<u>21,688</u>	<u>12,199</u>	<u>12,199</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(9,648)	(159)	(159)	0
Fund Balance at Beginning of Year	<u>1,358</u>	<u>1,358</u>	<u>1,358</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$8,290)</u></u>	<u><u>\$1,199</u></u>	<u><u>\$1,199</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
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$8,138	\$8,138	\$8,138	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	12,118	12,118	6,118	6,000
Fringe Benefits	356	356	167	189
Purchased Services	1,870	440	440	0
Materials and Supplies	1,524	903	903	0
<i>Total Expenditures</i>	<u>15,868</u>	<u>13,817</u>	<u>7,628</u>	<u>6,189</u>
<i>Net Change in Fund Balance</i>	(7,730)	(5,679)	510	6,189
Fund Balance at Beginning of Year	<u>817</u>	<u>817</u>	<u>817</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$6,913)</u></u>	<u><u>(\$4,862)</u></u>	<u><u>\$1,327</u></u>	<u><u>\$6,189</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
E-Rate Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Capital Outlay - New	0	3,294	3,294	0
<i>Net Change in Fund Balance</i>	0	(3,294)	(3,294)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	3,294	3,294	3,294	0
Fund Balance at End of Year	\$3,294	\$0	\$0	\$0

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$63,636	\$57,419	\$57,419	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	74,910	48,335	48,335	0
Fringe Benefits	19,528	15,310	15,301	9
<i>Total Expenditures</i>	94,438	63,645	63,636	9
Excess of Revenues Over (Under) Expenditures	(30,802)	(6,226)	(6,217)	9
<u>Other Financing Sources:</u>				
Advances-In	30,802	6,217	6,217	0
<i>Net Change in Fund Balance</i>	0	(9)	0	9
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>(\$9)</u>	<u>\$0</u>	<u>\$9</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School to Work Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$5,581	\$5,581	\$5,581	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,043	11,043	11,043	0
Fringe Benefits	2,984	2,984	2,984	0
<i>Total Expenditures</i>	14,027	14,027	14,027	0
<i>Net Change in Fund Balance</i>	(8,446)	(8,446)	(8,446)	0
Fund Balance at Beginning of Year	8,446	8,446	8,446	0
Fund Balance at End of Year	<u>\$0</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
Debt Service Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$540,808	\$540,808	\$540,808	\$0
Intergovernmental	4,318	4,318	4,318	0
<i>Total Revenues</i>	<u>545,126</u>	<u>545,126</u>	<u>545,126</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	7,988	21,547	21,270	277
Debt Service:				
Principal Retirement	8,086,000	8,148,783	8,148,783	0
Interest and Fiscal Charges	234,326	625,164	624,765	399
Total Debt Service	<u>8,320,326</u>	<u>8,773,947</u>	<u>8,773,548</u>	<u>399</u>
<i>Total Expenditures</i>	<u>8,328,314</u>	<u>8,795,494</u>	<u>8,794,818</u>	<u>676</u>
Excess of Revenues Over (Under) Expenditures	(7,783,188)	(8,250,368)	(8,249,692)	676
<u>Other Financing Sources:</u>				
Transfers-In	92,353	92,353	92,353	0
<i>Net Change in Fund Balance</i>	(7,690,835)	(8,158,015)	(8,157,339)	676
Fund Balance at Beginning of Year	<u>8,322,705</u>	<u>8,322,705</u>	<u>8,322,705</u>	<u>0</u>
Fund Balance at End of Year	<u>\$631,870</u>	<u>\$164,690</u>	<u>\$165,366</u>	<u>\$676</u>

WAVERLY CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Permanent Improvement Capital Projects Fund
 For the Fiscal Year Ended June 30, 2002*

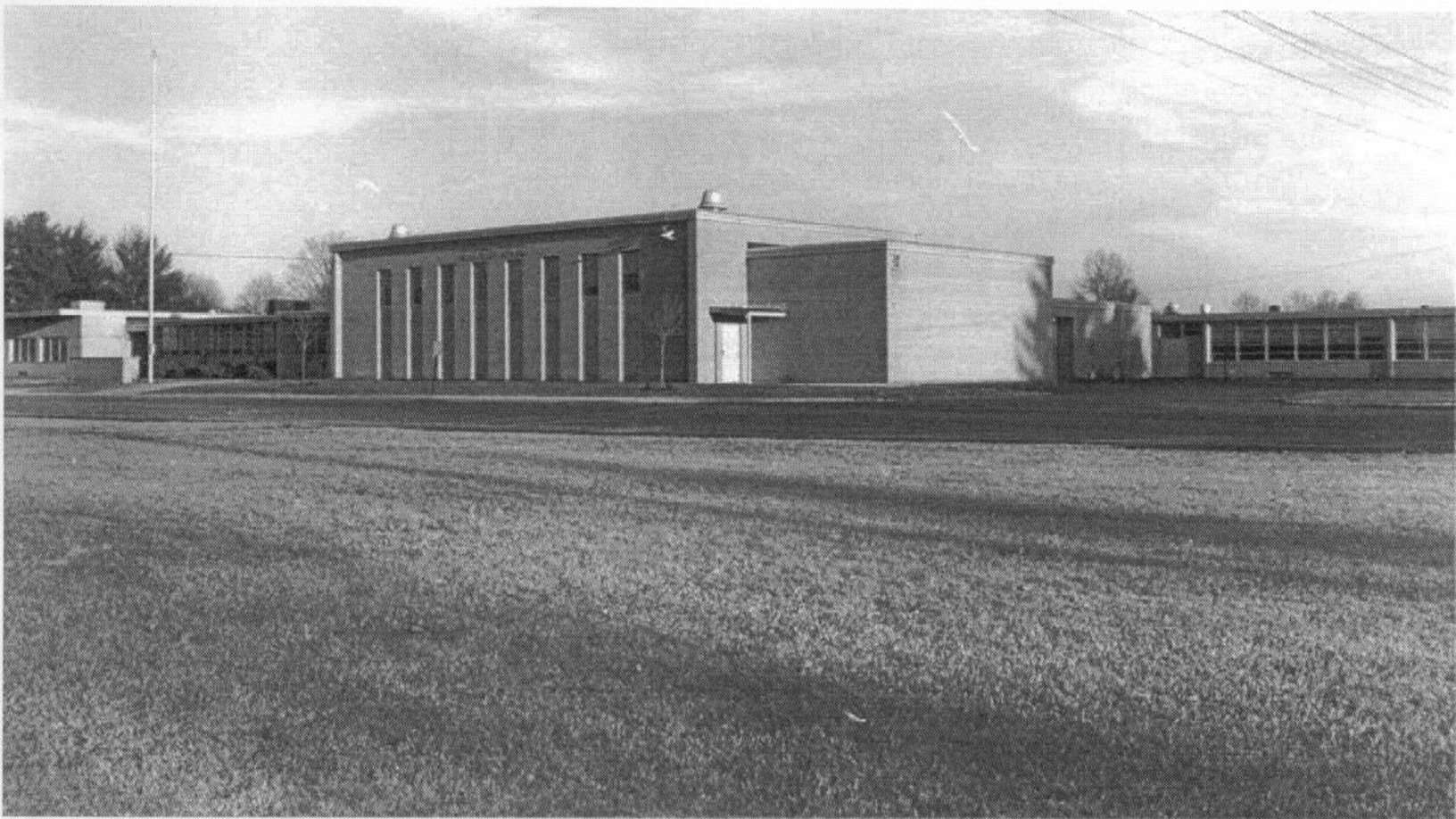
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
Fund Balance at Beginning of Year	<u>8,747</u>	<u>8,747</u>	<u>8,747</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$8,747</u></u>	<u><u>\$8,747</u></u>	<u><u>\$8,747</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 Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$62,320	\$62,320	\$62,320	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	12,838	12,838	0
Materials and Supplies	0	641	641	0
Capital Outlay - New	31,755	83,205	83,205	0
<i>Total Expenditures</i>	<u>31,755</u>	<u>96,684</u>	<u>96,684</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	30,565	(34,364)	(34,364)	0
Fund Balance at Beginning of Year	31,755	31,755	31,755	0
Prior Year Encumbrances Appropriated	<u>53,460</u>	<u>53,460</u>	<u>53,460</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$115,780</u></u>	<u><u>\$50,851</u></u>	<u><u>\$50,851</u></u>	<u><u>\$0</u></u>

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STATISTICAL SECTION



Waverly North Junior High School, 610 E. Third Street, Waverly, OH 45690

Waverly North Junior High School currently houses 482 students in Grades 6 through 8. When constructed in 1961, the building served as an elementary school for Grades 1 through 8. An addition was added in 1984, and the building was converted to a Junior High School for the 1988-1989 school year.

TABLE 1

WAVERLY CITY SCHOOL DISTRICT

General Government Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year (1)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Current:										
Instruction:										
Regular	\$3,514,736	\$3,611,989	\$3,830,074	\$3,938,313	\$4,007,877	\$4,389,495	\$4,866,826	\$5,507,128	\$5,723,795	\$6,966,967
Special	868,132	971,666	1,153,901	1,106,999	1,205,487	1,089,027	902,764	1,043,354	1,093,346	1,151,152
Vocational	97,548	100,957	111,478	110,030	112,470	121,060	123,038	127,188	138,735	122,075
Other	4,415	5,016	1,233	22,640	3,927	12,926	119,062	128,174	45,511	0
Support Services:										
Pupils	369,408	377,618	385,354	389,383	432,439	407,533	539,019	741,203	634,446	775,912
Instructional Staff	370,673	355,584	342,307	393,643	451,168	520,007	726,336	779,537	873,238	883,151
Board of Education	19,605	24,939	35,626	26,124	32,973	35,177	28,111	26,911	38,851	46,775
Administration	672,469	718,459	766,465	914,295	913,406	950,130	835,648	795,523	940,271	988,641
Fiscal	187,561	195,004	219,064	230,623	231,869	267,207	283,291	329,174	357,037	442,136
Business	0	0	0	0	0	0	0	0	0	0
Operation and Maintenance	655,916	750,564	909,522	740,055	860,555	1,023,360	996,183	1,178,454	1,084,478	1,023,502
of Plant	457,241	467,568	573,827	559,768	684,222	662,391	640,420	729,455	890,040	891,906
Pupil Transportation	3,221	2,296	14,027	14,998	7,052	9,231	19,900	17,542	20,877	15,902
Central										
Operation of Non-Instructional	452,599	478,686	514,428	504,274	559,245	576,291	587,371	592,688	550,677	646,606
Services - Food Services										
Operation of Non-Instructional	423	3,198	4,722	2,106	13,281	35,669	15,071	54,997	4,312	4,770
Services - Other	214,184	221,587	239,057	246,506	242,755	254,895	276,137	371,834	377,709	399,507
Extracurricular Activities	83,837	86,376	75,546	86,288	804,560	15,896	838,693	1,226,795	830,277	3,171,651
Capital Outlay	0	0	0	0	0	0	0	0	42,109	297,617
Intergovernmental	49,450	47,350	45,250	43,150	41,050	0	0	92,353	451,267	497,829
Debt Service										
Totals	\$8,021,418	\$8,418,857	\$9,221,881	\$9,329,195	\$10,604,336	\$10,370,295	\$11,797,870	\$13,742,310	\$14,096,976	\$18,326,099

Source: Waverly City School District records.

(1) Includes general, special revenue, capital projects and debt service funds.

(2) Fiscal Year 1994 is the first year reported on a GAAP basis.

All prior fiscal years are reported on a cash basis.

TABLE 2

WAVERLY CITY SCHOOL DISTRICT

General Government Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year (2)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Property Taxes	\$2,281,742	\$2,451,868	\$2,302,055	\$2,876,153	\$2,350,285	\$2,177,489	\$2,635,177	\$3,185,571	\$3,343,746	\$3,669,150
Intergovernmental	5,697,228	5,944,424	6,182,041	6,770,612	7,484,162	7,179,533	7,950,445	8,014,263	9,792,308	19,212,770
Interest	71,826	92,153	170,234	214,944	227,483	319,303	322,757	299,330	648,335	531,497
Tuition and Fees	53,045	45,217	37,433	28,736	38,670	49,547	47,296	55,484	57,379	211,796
Extracurricular	131,509	139,071	162,401	201,034	149,750	135,651	132,451	152,569	168,150	163,593
Customer Services	160,790	162,313	169,215	275,285	300,828	304,411	208,742	236,999	231,812	242,024
Rent	0	0	4,095	2,400	3,177	6,888	6,548	7,005	2,240	4,350
Gifts and Donations	0	0	5,487	6,183	4,828	63,318	55,140	60,759	54,681	55,296
Miscellaneous	53,978	116,400	118,819	33,653	42,535	115,224	123,665	141,479	202,680	151,493
Totals	\$8,450,118	\$8,951,446	\$9,151,780	\$10,409,000	\$10,601,718	\$10,351,364	\$11,482,221	\$12,153,459	\$14,501,331	\$24,241,969

Source: Waverly City School District records.

(1) Includes general, special revenue, capital projects and debt service funds on a modified accrual basis.

(2) Fiscal Year 1994 is the first year reported on a GAAP basis. All prior years are reported on a cash basis.

TABLE 3

WAVERLY CITY SCHOOL DISTRICT
 Governmental Activities Expenses by Function
 Last Two Fiscal Years

	Fiscal Year (1)	2001	2002
Current:			
Instruction:			
Regular		\$5,924,366	\$7,277,328
Special		1,109,969	1,248,682
Vocational		149,069	123,634
Other		45,511	0
Support Services:			
Pupil		607,246	827,551
Instructional Staff		947,256	816,270
Board of Education		38,851	46,775
Administration		973,537	1,017,178
Fiscal		360,285	445,742
Business		44,894	0
Operation and Maintenance			
of Plant		1,068,241	1,054,328
Pupil Transportation		797,019	788,353
Central		16,224	19,844
Operation of Non-Instructional			
Services - Food Services		645,419	699,050
Operation of Non-Instructional			
Services - Other		605	864
Extracurricular Activities		414,154	412,523
Intergovernmental		42,109	297,617
Debt Service		256,783	461,276
Total		<u>\$13,441,538</u>	<u>\$15,537,015</u>

Source: Waverly City School District records.

(1) Fiscal year 2001 is the first year the District has prepared full accrual statements.

TABLE 4

WAVERLY CITY SCHOOL DISTRICT
 Governmental Activities Revenues by Source (1)
 Last Two Fiscal Years

Fiscal Year (2)	Program Revenues			General Revenues					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Intergovernmental	Interest	Gifts and Donations	Miscellaneous	
2001	\$459,581	\$2,152,351	\$145,870	\$3,372,688	\$43,146,697	\$666,613	\$0	\$202,680	\$50,146,480
2002	621,763	2,632,270	62,320	3,700,687	7,644,603	522,908	42,132	151,493	15,378,176

Source: Waverly City School District records.

- (1) Includes all governmental activities on a full accrual basis.
- (2) Fiscal year 2001 is the first year the District has prepared full accrual statements.

TABLE 5

WAVERLY CITY SCHOOL DISTRICT

Property Tax Levies and Collections - Real and Public Utility Property
Last Ten Collection (Calendar) Years

Collection Year	Tax Levied (1)	Current Tax Collection (2)	Percent Collected	Delinquent Collection	Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes To Tax Levied
1993	\$2,824,580	\$2,056,569	72.81%	\$178,832	\$2,235,401	79.14%	\$198,000	7.01%
1994	2,851,959	1,846,364	64.74	160,553	2,006,917	70.37	246,211	8.63
1995	2,790,197	2,210,156	79.21	192,187	2,402,343	86.10	346,115	12.40
1996	3,128,083	2,308,787	73.81	200,764	2,509,551	80.23	105,293	3.37
1997	3,256,946	2,333,614	71.65	202,923	2,536,537	77.88	104,694	3.21
1998	3,380,729	2,405,642	71.16	209,186	2,614,828	77.35	131,283	3.88
1999	3,495,612	2,441,723	69.85	127,677	2,569,400	73.50	149,704	4.28
2000	3,873,633	2,788,433	71.98	208,909	2,997,342	77.38	116,663	3.01
2001	3,874,436	3,051,964	78.77	142,151	3,194,115	82.44	145,605	3.76
2002	2,948,066	2,695,731	91.44	259,864	2,955,595	100.25	171,842	5.83

Source: Pike County Auditor

- (1) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (2) State reimbursements of rollback and homestead exemptions are not included.
- (3) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

TABLE 6

WAVERLY CITY SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years (1)

Collection Year	Real Property		Tangible Personal Property		Public Utilities		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Actual Value	
1993	\$68,088,300	\$194,538,000	\$16,756,939	\$67,027,756	\$12,089,020	\$13,737,523	\$96,934,259	\$275,303,279	35.21%
1994	67,752,070	193,577,343	15,180,712	60,722,848	12,202,070	13,865,989	95,134,852	268,166,179	35.48%
1995	70,587,280	201,677,943	15,221,072	60,884,288	12,968,870	14,737,352	98,777,222	277,299,583	35.62%
1996	71,845,890	205,273,971	17,708,846	70,835,384	8,270,640	9,398,455	97,825,376	285,507,810	34.26%
1997	78,964,110	225,611,743	19,869,133	79,476,532	12,652,470	14,377,807	111,485,713	319,466,082	34.90%
1998	78,017,170	222,906,200	22,389,505	89,558,020	12,286,090	13,961,466	112,692,765	326,425,686	34.52%
1999	80,312,350	229,463,857	23,447,763	93,791,052	13,173,640	14,970,045	116,933,753	338,224,955	34.57%
2000	104,556,410	298,732,600	26,168,773	104,675,092	12,444,000	14,140,909	143,169,183	417,548,601	34.29%
2001	104,310,020	298,028,629	25,656,945	102,627,780	11,948,020	13,577,295	141,914,985	414,233,704	34.26%
2002	103,127,340	294,649,543	24,956,078	99,824,312	9,982,750	11,344,034	138,066,168	405,817,889	34.02%

Source: Pike County Auditor

(1) Pike County Auditor property tax records are maintained on a calendar year basis.

(2) Ratio represents assessed value/total estimated actual value.

TABLE 7

WAVERLY CITY SCHOOL DISTRICT

Property Tax Rates (Per \$1,000 of Assessed Valuation)
 Direct and Overlapping Governments
 Last Ten Collection (Calendar) Years

Collection Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Waverly City School District	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$39.00	\$37.12	\$37.12
Pike County	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20	14.20	14.20
City of Waverly	17.80	17.80	16.30	16.30	16.30	16.30	16.30	16.30	16.30	15.30
Pike County Joint Vocational School	6.80	6.80	6.80	6.80	6.50	6.50	6.50	6.50	6.50	6.50

Source: Pike County Auditor

TABLE 8

WAVERLY CITY SCHOOL DISTRICT

Ratio of Net General Bonded Debt to Assessed Value
And Net Bonded Debt per Capita
Last Ten Fiscal Years

Year	Population (1)	Total Assessed Value (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt To Assessed Value (%)	Net Bonded Debt Per Capita
1993	5,084	\$96,934,259	\$160,000	0.17%	\$31
1994	5,084	95,134,852	120,000	0.13%	24
1995	5,084	98,777,222	80,000	0.08%	16
1996	5,084	97,825,376	40,000	0.04%	8
1997	5,084	111,485,713	0	0.00%	0
1998	5,084	112,692,765	0	0.00%	0
1999	5,084	116,933,753	0	0.00%	0
2000	4,433	143,169,183	0	0.00%	0
2001	4,433	141,914,985	7,779,076	5.48%	1,755
2002	4,433	138,066,168	7,911,530	5.73%	1,785

Sources:

- (1) 1991 through 1999 population data from 1990 U.S. census.
After 1999, population data is from U.S. census estimates.
- (2) Pike County Auditor, calendar year basis.
- (3) Net bonded debt does not include Energy Conservation Loan.

TABLE 9

WAVERLY CITY SCHOOL DISTRICT

Computation of Legal Debt Margin
June 30, 2002

(1) Assessed Valuation of District	\$138,066,168
<hr/>	
Overall Direct Debt Limitation	
Direct debt limitation	
9% of assessed valuation (1)	\$12,425,955
Gross indebtedness	8,700,590
Less Exempt Debt:	
Energy Conservation Loan	<u>613,161</u>
Debt within 9.0% limitation	8,087,429
Less amount available for debt service	<u>211,418</u>
Net indebtedness	<u>7,876,011</u>
Legal debt margin within 9% limitation	<u>\$4,549,944</u>
<hr/>	
Energy Conservation Debt Limitation	
Debt limitation	
0.9% of assessed valuation (1)	\$1,242,596
Net debt within 0.9% limitation	<u>(613,161)</u>
Energy Conservation Debt Margin	<u>\$629,435</u>
<hr/>	
Unvoted Direct Debt Limitation	
Unvoted debt limitation	
0.1% of assessed valuation (1)	\$138,066
Gross indebtedness	613,161
Less Exempt Debt:	
Energy Conservation Loan	<u>(613,161)</u>
Net indebtedness	0
Legal debt margin within 0.1% limitation	<u>\$138,066</u>

Source: Waverly City School District records.

TABLE 10

WAVERLY CITY SCHOOL DISTRICT

Computation of Direct and Overlapping Debt
June 30, 2002

<u>Governmental Unit</u>	<u>General Obligation Debt (1)</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct:			
Waverly City School District	\$7,911,530	100.00%	\$7,911,530
Overlapping:			
Pike County Joint Vocational School	105,000	39.00%	40,950
Total direct and overlapping debt:	<u>\$8,016,530</u>		<u>\$7,952,480</u>

Source: Pike County Auditor

(1) Net General Bonded Debt - Excludes Energy Conservation Loan

TABLE 11

WAVERLY CITY SCHOOL DISTRICT

Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Government Expenditures
Last Ten Fiscal Years

Fiscal Year (1)	Total Debt		Total General Government		Ratio of Debt Service to General Expenditures (%)
	Principal	Interest	Service	Expenditures	
1993	\$40,000	\$9,450	\$49,450	\$8,021,418	0.62%
1994	40,000	7,350	47,350	8,418,857	0.56
1995	40,000	5,250	45,250	9,221,881	0.49
1996	40,000	3,150	43,150	9,329,195	0.46
1997	40,000	1,050	41,050	10,604,336	0.39
1998	0	0	0	10,370,295	0.00
1999	0	0	0	11,797,870	0.00
2000	0	0	0	13,742,310	0.00
2001	0	0	0	14,096,976	0.00
2002	0	355,870	355,870	18,326,099	1.94

Source: Waverly City School District records.

- (1) Fiscal Year 1994 is the first year reported on a GAAP basis.
All prior fiscal years are reported on a cash basis.

TABLE 12

WAVERLY CITY SCHOOL DISTRICT

Demographic Statistics
Last Ten Calendar Years

Year	Pike County Population (1)	Population of District (1)	School Enrollment (2)	Unemployment Rate Pike County (3)	Unemployment Rate State of Ohio (3)	Unemployment Rate U.S.A (3)
1993	24,249	5,084	2,121	13.00	6.50	6.90
1994	24,249	5,084	2,169	11.00	5.50	6.10
1995	24,249	5,084	2,115	8.80	4.80	5.60
1996	24,249	5,084	2,064	9.10	4.90	5.40
1997	24,249	5,084	2,130	9.10	4.60	4.90
1998	24,249	5,084	2,107	8.80	4.40	4.70
1999	24,249	5,084	2,093	11.70	4.36	4.42
2000	27,695	4,433	2,112	7.10	3.90	4.10
2001	27,695	4,433	2,082	7.70	5.70	6.30
2002	27,695	4,433	2,050	6.40	5.70	5.40

Sources: (1) 1991 through 1999 population data from 1990 U.S. census.
2000 through 2002 population data from 2000 U.S. census.

(2) Waverly City School District

(3) Ohio Bureau Employment Services - Data for 2001 based upon June 2001.
Data for 2002 based upon June 2002. Prior Years based on annual averages.

TABLE 13

WAVERLY CITY SCHOOL DISTRICT

Construction, Bank Deposits and Property Values
Last Ten Calendar Years

Year	Value of Permits Issued (1)	County Bank Deposits (2) (in thousands)	Property Values (3)
1993	\$3,927,450	\$94,428	\$68,088,300
1994	1,061,990	93,127	67,752,070
1995	1,378,200	97,573	70,587,280
1996	2,015,770	100,565	71,845,890
1997	1,535,060	107,546	78,964,110
1998	1,150,440	127,298	78,017,170
1999	1,325,080	127,973	80,312,350
2000	1,438,590	135,918	104,556,410
2001	1,451,350	146,843	104,309,730
2002	1,951,635	136,756	103,127,340

Sources: (1) Pike County Auditor

(2) Federal Reserve Bank of Cleveland

(3) Pike County Auditor, calendar year basis
of real property only.

TABLE 14

WAVERLY CITY SCHOOL DISTRICT

Top Ten Principal Taxpayers
Real Property (1)

<u>Name of Taxpayer</u>	<u>Total Assessed Valuation</u>	<u>% of Total School District Assessed Valuation</u>
National Church Residences	\$28,544,315	27.68%
Mills Pride Limited	7,352,375	7.13%
Wal-Mart Stores, Inc.	3,577,078	3.47%
HTW Associates, Ltd.	2,154,378	2.09%
Pinehurst, Ltd.	1,572,064	1.52%
Wassau Homes, Inc.	1,357,389	1.32%
Clough Commons, Ltd.	1,346,704	1.31%
Parker Hannifin Corporation	1,318,420	1.28%
Emmett Station, Ltd.	966,095	0.94%
Waverly Manor Association	840,986	0.82%
Total Principal Taxpayers	\$49,029,804	47.54%
Total School District	\$103,127,340	100.00%

Source: Pike County Auditor.

(1) Taxpayers and amounts are for fiscal year 2002.

TABLE 15

WAVERLY CITY SCHOOL DISTRICT

Miscellaneous Statistical Data
June 30, 2002

School	Grade Levels	Enrollment
East Elementary	PK-2	494
West Intermediate	3-5	479
North Junior High	6-8	477
Waverly High School	9-12	600
Total		2,050

Degree	Number of Teachers	Percentage of Total
Bachelor	9	6.72%
Bachelor +15	39	29.10
Masters	48	35.82
Masters +15	38	28.36
Total	134	100.00%

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	21	15.67%
6 - 10	31	23.13
11 - 15	22	16.42
16 - 20	18	13.43
21 - 25	17	12.69
26 and over	25	18.66
Total	134	100.00%

Source: Waverly City School records

TABLE 16

WAVERLY CITY SCHOOL DISTRICT

Enrollment
Last Ten Fiscal Years

Year	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
1993	161	164	155	152	165	171	181	182	154	176	158	137	165	2,121
1994	158	189	144	149	146	162	191	195	175	181	155	163	161	2,169
1995	159	181	156	137	143	139	170	178	185	178	162	140	187	2,115
1996	150	178	148	149	136	148	147	162	182	200	161	140	163	2,064
1997	143	178	168	147	158	140	157	145	165	209	191	159	170	2,130
1998	148	184	157	180	144	161	153	147	140	189	168	169	167	2,107
1999	164	152	153	163	156	159	160	154	151	161	168	158	194	2,093
2000	180	161	152	159	165	165	157	161	161	156	149	166	180	2,112
2001	166	181	168	154	166	158	172	161	148	165	138	149	156	2,082
2002	159	154	181	157	152	170	161	161	155	169	158	146	127	2,050

Source: Waverly City School District records.

TABLE 17

WAVERLY CITY SCHOOL DISTRICT
 Per Pupil Cost
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
1993	\$6,610,631	2,121	\$3,117
1994	6,849,966	2,169	3,158
1995	7,356,589	2,115	3,478
1996	7,429,591	2,064	3,600
1997	7,973,294	2,130	3,743
1998	8,499,571	2,107	4,034
1999	9,107,326	2,093	4,351
2000	10,628,632	2,112	5,032
2001	10,642,906	2,082	5,112
2002	11,083,809	2,050	5,407

Source: Waverly City School District records.

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Betty Montgomery**

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Facsimile 614-466-4490

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
FEBRUARY 18, 2003**