

**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures	1
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	3
Report of Independent Accountants on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133	5
Schedule of Findings - <i>OMB Circular A-133, Section .505</i>	7

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999**

<u>Agency/Program/Grant</u>	<u>Pass Through Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non Cash Receipts</u>	<u>Disbursements</u>	<u>Non Cash Disbursements</u>
<u>U.S. Department of Agriculture</u>						
Passed Through State Department of Education:						
Child Nutrition Cluster: Food Distribution		10.550	\$ -	\$10,294	\$ -	\$10,294
School Breakfast Program	05-PU-00	10.553	38,406	-	38,406	-
National School Lunch Program	03-PU-00	10.555	<u>85,128</u>	-	<u>85,128</u>	-
Total U.S. Department of Agriculture Child Nutrition Cluster			123,534	10,294	123,534	10,294
<u>U.S. Department of Education</u>						
Pass through State Department of Education:						
Title I Grants to Local Educational Agencies	C1-S1-99	84.010	404,105	-	146,522	-
Special Education Cluster Special Education - State Grants	6B-SF-99	84.027	55,348	-	43,924	-
Special Education - Pre-School Grant	PG-S1-99	84.173	<u>1,014</u>	-	<u>0</u>	-
Total Special Education Cluster			56,362	-	43,924	-
Safe and Drug Free Schools and Communities Grant	DR-S1-99	84.186	6,720	-	4,060	-
Eisenhower Professional Development - State Grant	MS-S1-99	84.281	8,482	-	8,466	-
Innovative Education Program Strategy	C2-S1-99	84.298	4,692	-	2,251	-
Goals 2000-State and Local Education Systemic Improvement Grant	G2-S4-00	84.276	<u>54,900</u>	-	<u>10,107</u>	-
Total U.S. Department of Education			535,281	-	215,330	-
<u>U.S. Department of Labor</u>						
Pass through State Department of Education:						
Employment Service and Job Training Pilot	WK-S1-89	17.249	<u>0</u>	-	<u>1,148</u>	-
Total U.S. Department of Labor			0	-	1,148	-
<u>U.S. Department of Health and Human Service</u>						
Pass through State Department of Education						
Dependent Care Plan	DC-S1-99	93.673	<u>4,978</u>	-	-	-
Total U.S. Department of Health and Human Services			<u>4,978</u>	-	-	-
Total Federal Awards Receipts and Expenditures			<u>\$663,773</u>	<u>\$10,294</u>	<u>\$340,012</u>	<u>\$10,294</u>

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999**

Note A – Significant Accounting Policies

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

Note B - Food Distribution

Nonmonetary assistance , such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the School District had no significant food commodities in inventory.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Waverly City School District
Pike County
500 East Second Street
Waverly, Ohio 45690

To the Board of Education:

We have audited the general purpose financial statements of the Waverly City School District, Pike County, Ohio (the School District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 22, 1999, wherein we noted that the School District changed its method of accounting for deferred compensation plan assets. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

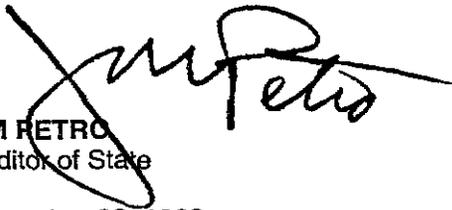
As part of obtaining reasonable assurance about whether Waverly City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material 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 a certain immaterial instance of noncompliance that we have reported to the management of the School District in a separate letter dated December 22, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Waverly City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 over financial reporting 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 that do not require inclusion in this report, that we have reported to the management of the School District in a separate letter dated December 22, 1999.

Waverly City School District
Pike County
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management, the Board of Education, 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.



JIM RETRO
Auditor of State

December 22, 1999



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

Waverly City School District
Pike County
500 East Second Street
Waverly, Ohio 45690

To the Board of Education:

Compliance

We have audited the compliance of Waverly City School District, Pike County, Ohio (the School District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The School District's major federal program is identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Waverly City School District is responsible for the establishing and maintaining effective internal control over compliance with requirements of laws, regulation, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could 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.

Waverly City School District
Pike County
Report of Independent Accountants on Compliance with Requirements
Applicable to Each Major Federal Program and Internal Control Over Compliance
in Accordance with OMB Circular A-133
Page 2

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, regulations, 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.

This report is intended for the information and use of management, the Board of Education, 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.



JIM PETRO
Auditor of State

December 22, 1999

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

FOR THE YEAR ENDED JUNE 30, 1999

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 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 material 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):	Title I - CFDA # 84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

The audit of Waverly City School District, Pike County, for the year ended June 30, 1999, contained no findings that are required to be reported in accordance with GAGAS.

3. FINDINGS FOR FEDERAL AWARDS

The audit of Waverly City School District, Pike County, for the year ended June 30, 1999, contained no findings for federal financial assistance programs



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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.

By: *Susan Babbitt*
Clerk of the Bureau

Date: **JAN 27 2000**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1999



WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

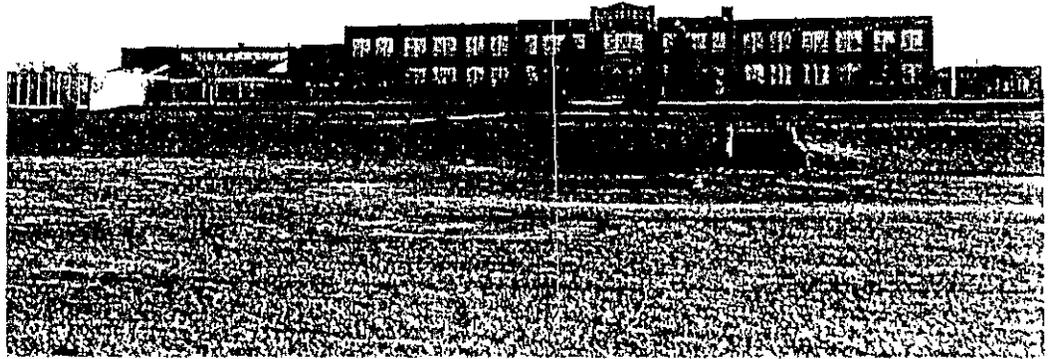
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Issued by:

Treasurer's Office

Jenni L. Logan, Treasurer

INTRODUCTORY SECTION



Waverly High School, 500 E. Second Street, Waverly, OH 45690

Waverly High School currently houses 507 students in Grades 9 through 12. The High School was constructed in 1931 and an addition was completed in 1972.

WAVERLY CITY SCHOOL DISTRICT

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Title Page	
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials	xv
Organizational Chart	xvi

FINANCIAL SECTION

Independent Accountants' Report	1
General Purpose Financial Statements (Combined Statements--Overview)	3
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	9
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type	12
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - Proprietary Fund Type	13
Combined Statement of Cash Flows - Proprietary Fund Type	14
Notes to the General Purpose Financial Statements	15

TABLE OF CONTENTS
(Continued)

Combining, Individual Fund and Account Group Financial Statements and Schedules:	45
Governmental Fund Types:	
General Fund	46
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)	47
Special Revenue Funds	54
Combining Balance Sheet	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	60
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) for the following funds:	
Public School Support	64
Underground Storage Tank	66
Athletics	67
Auxiliary Services	68
Teacher Development	69
Pupil Competency	70
Education Management Information Systems	71
Preschool	72
Disadvantaged Pupil Impact Aid	73
Textbook Subsidy	75
Eisenhower Grant	76
Title VI-B	77
Title I	78
Title VI	80
Drug Free Schools	81
School To Work	82
All Special Revenue Funds	83
Debt Service Fund	87
Capital Projects Funds	88
Combining Balance Sheet	89

TABLE OF CONTENTS
(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	90
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) for the following funds:	
Permanent Improvement	91
SchoolNet	92
Technology Equity	93
Emergency Building Repair	94
All Capital Projects Funds	95
Proprietary Fund Type:	
Enterprise Funds	97
Combining Balance Sheet	98
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	99
Schedules of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) for the following funds:	
Food Services	100
Uniform School Supplies	101
Latchkey	102
All Enterprise Funds	103
Combining Statement of Cash Flows	104
Fiduciary Fund Type	105
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	106
General Fixed Assets Account Group	107
Schedule of General Fixed Assets by Function	108
Schedule of Changes in General Fixed Assets by Function	109
Schedule of General Fixed Assets by Source	110

TABLE OF CONTENTS
(Continued)

STATISTICAL SECTION

General Fund Expenditures by Function - Last Ten Fiscal Years	111
General Fund Revenues by Source - Last Ten Fiscal Years	112
Property Tax Levies and Collections - Real and Public Utility Property - Last Six Collection (Calendar) Years	113
Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection (Calendar) Years	114
Property Tax Rates - Direct and Overlapping Governments - Last Ten Collection (Calendar) Years	115
Ratio of Net General Bonded Debt to Assessed Value and Bonded Debt per Capita - Last Ten Fiscal Years	116
Computation of Legal Debt Margin	117
Computation of Direct and Overlapping Debt	118
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures - Last Ten Fiscal Years	119
Demographic Statistics - Last Ten Calendar Years	120
Construction, Bank Deposits and Property Values - Last Ten Calendar Years	121
Top Ten Principal Taxpayers - Real and Personal Property	122
Miscellaneous Statistical Data	123
Enrollment - Last Ten Fiscal Years	124
Per Pupil Cost - Last Ten Fiscal Years	125

WAVERLY CITY BOARD OF EDUCATION

500 East Second Street Waverly, Ohio 45690-1297 Telephone (740) 947-4770

Euggie Robertson, Superintendent Roger Ramsey, Assistant Superintendent

Rick Teeters, Elementary Supervisor
Madelyn R. Migyanko, Special Programs/
Secondary Curriculum Coordinator
BOARD OF EDUCATION
Linda Blaum Shoemaker, President
Sharon Manson, Vice President
Randy Ambruster
Lee Crocker
Nancy Thompson
Jenni Logan, Treasurer

December 22, 1999

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Waverly City School District for the fiscal year ended June 30, 1999. 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 1999 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 and account groups 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 list of principal officials, and the School District's organizational chart.

The **Financial Section** includes the general purpose financial statements, and the combining, individual fund and account group statements and schedules, as well as an independent accountant's report on the financial statements and schedules.

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

This report includes all funds and account groups of the School District. 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/or 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 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 Booster groups, Alumni associations and Parent Teacher Organizations perform activities within the 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 is associated with four organizations, three of which are defined as jointly governed organizations, and one as an insurance purchasing pool. These organizations are the South Central Ohio Computer Association (SCOCA), the Pike County Joint Vocational School, the Coalition of Rural and Appalachian Schools, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the general purpose 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 11.7 percent. This is an improvement over the past historically higher rates and is encouraging. The median Ohio adjusted gross income for the School District was \$24,059 and ranked 485 in the State among 611 public school districts.

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.

Tourism to the area has improved and grown in recent years. The opening of Spicy Run Mountain Ski Resort in western Pike County boasts the tallest ski slope drop in all of Ohio's ski slopes. This winter tourism, coupled with the summer parks and resorts in the County (Lake White State Park, Pike Lake State Park and Long's Retreat), will help to improve the tourism sector of the County's economy.

A major construction project, widening the roads from four lanes to five through the heart of the City of Waverly, is considered to be a progressive move and is scheduled for completion within the next year. Hopes are that this will benefit the area and be an additional incentive to future businesses locating here.

THE DISTRICT AND ITS FACILITIES

The District served 2,093 students during the 1999 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:

School	Grades	Enrollment
East Elementary	K - 3	573
West Elementary	3-5	396
North Junior High	6-8	465
Waverly High School	9-12	659

MAJOR INITIATIVES

FOR THE YEAR

The Waverly City School District has adopted the following mission, vision, and guiding principles:

“Our mission is to provide an effective quality education for all our children in a safe environment.”
“Our vision is that by 2001-2002 we will have technologically advanced facilities and the highest quality staff to promote educationally proficient students within our fiscal boundaries.”

Guiding Principles

1. We will strive to function in an honest manner.
2. Functioning in an honest manner will further develop our trusting relationship.
3. We will operate in an atmosphere of complete cooperation.
4. We will respect individual inputs and honor the decision of the majority.
5. We will strive to stay focused on vision and mission.
6. We will strive for interactive excellence.
7. We will further develop an arena of safety in attacking issues.
8. We will have and project a spirit of unity within and to the public.

We will strive to avoid the following roadblocks: division, pride, disrespect, lack of confidence.

Major initiatives completed during the 1999 fiscal year included new roofs for all four buildings, paving projects for Waverly High School and East Elementary, and energy conservation projects at all buildings, which include air conditioning for all schools but the high school. Several student accomplishments as well as capital improvements existed during the year. Many scholarships and academic awards were received by students throughout the year. Proficiency scores were at an all-time high and the School District moved up to continuous improvement from academic watch in relation to the School District Report Card. The year also marked several winning seasons for varsity sports with coaches and individuals receiving honorable recognition.

The School District has also adopted and implemented numerous security measures such as the addition of cameras and monitors in all school buildings as well as new deadbolt locks for classrooms. The School District is also implementing stricter enforcement of the code of conduct and the dress code.

FOR THE FUTURE

The School District is currently working with the Ohio School Facilities Commission in securing State monies for a new facility(ies). Within the next year the School District will seek the passage of a tax levy to build the new school(s). The School District plans to maintain a high priority on staff development and student achievement. The Treasurer plans to continue with the Comprehensive Annual Financial Report for the future fiscal years.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing entity. Records for general governmental operations are maintained 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). GAAP, which is more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, and Agency Funds, and for a full accrual basis for the enterprise funds.

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.

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 by fund, however, the School District has chosen to present budgetary information at the function and object level. Budgetary modifications made at a lower level of control are made by the School District Treasurer. 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.

General Fund

The following tables represent the amount of revenues by source and expenditures by function for the General Fund for the fiscal year ended June 30, 1999, with increases and (decreases) from the fiscal year ended June 30, 1998.

Revenue by Source	1998	1999	Percent of Total	Difference From 1998	Percent of Change
Property Taxes	\$2,177,489	\$2,635,177	27.84%	\$457,688	21.02%
Intergovernmental	5,989,557	6,319,332	66.77	329,775	5.51
Interest	319,303	322,757	3.41	3,454	1.08
Tuition and Fees	31,981	32,434	0.34	453	1.42
Rent	6,888	5,478	0.06	(1,410)	(20.47)
Gifts and Donations	48,661	42,500	0.45	(6,161)	(12.66)
Customer Services	0	13,553	0.14	13,553	100.00
Miscellaneous	62,701	93,264	0.99	30,563	48.74
Total Revenues	<u>\$8,636,580</u>	<u>\$9,464,495</u>	<u>100.00%</u>	<u>\$827,915</u>	<u>9.43%</u>

Property Taxes increased \$457,688 over 1998 due to an increase in real estate taxes collected based on increased valuations.

Rent decreased \$1,410 over 1998 due to the lack of availability of school buildings for community purposes.

Miscellaneous Revenue increased \$30,563 over 1998 due mainly to the reclassification of revenues previously classified as gifts and donations and customer services.

<u>Expenditure by Function</u>	<u>1998</u>	<u>1999</u>	<u>Percent of Total</u>	<u>Difference From 1998</u>	<u>Percent of Change</u>
Instruction:					
Regular	\$4,096,171	\$4,307,605	47.32%	\$211,434	5.16%
Special	740,096	782,264	8.59	42,168	5.70
Vocational	121,060	123,038	1.35	1,978	1.63
Other	12,926	119,062	1.31	106,136	821.10
Support Services:					
Pupils	366,020	513,309	5.64	147,289	40.24
Instructional Staff	250,862	273,290	3.00	22,428	8.94
Board of Education	35,177	28,111	0.31	(7,066)	(20.09)
Administration	821,102	738,569	8.11	(82,533)	(10.05)
Fiscal	267,207	283,291	3.11	16,084	6.02
Operation and Maintenance of Plant	970,590	996,183	10.95	25,593	2.64
Pupil Transportation	658,710	633,950	6.95	(24,760)	(3.76)
Central	2,005	15,714	0.16	13,709	683.74
Operation of Non - Instructional Services	3,509	3,034	0.03	(475)	(13.54)
Extracurricular Activities	154,136	163,066	1.78	8,930	5.79
Capital Outlay	0	126,840	1.39	126,840	100.00
Total Expenditures	<u>\$8,499,571</u>	<u>\$9,107,326</u>	<u>100.00%</u>	<u>\$607,755</u>	<u>7.15%</u>

Other Instruction increased \$106,136 over 1998 due to the posting of open enrollment gross rather than net.

Pupils Support Services increased \$147,289 due to the payment of excess costs for cooperative special education units which were historically paid from grants and increased employment of instructional aides to reduce class size.

Because the Board attends the National School Board Association convention every other year and coding of expenditures is being scrutinized more closely, the Board of Education Support Services decreased \$7,066 over 1998.

The increased scrutiny of expenditures resulted in a decrease of \$82,533 to administration over 1998.

Central support services increased \$13,709 due to the employment of a technology coordinator for the School District.

Capital Outlay increased \$126,840 due to paving projects and the purchase of two modular buildings.

Significant activity in the major funds of each major Governmental Fund type is highlighted below.

General Fund

The School District completed the fiscal year ended June 30, 1999, with a fund balance of \$4,744,059, which represents an increase of \$311,321 from the June 30, 1998 fund balance.

Special Revenue Funds

Special Revenue Funds account for funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes.

Fund balances increased by \$216,151 to \$199,720. This increase was due primarily to increased revenues in the Preschool, Textbook Subsidy, and Title I funds.

Capital Projects Funds

Capital Projects Funds are used for the purchase of equipment and the financing of major improvement projects. The School District's Capital Projects funds are the Permanent Improvement, SchoolNet, Technology Equity, and Emergency Building Repair Funds.

The Capital Projects funds experienced a \$314,254 increase in fund balance. This increase was due primarily to the Energy Conservation Loan proceeds.

Significant activity in the Proprietary Funds is highlighted below.

Enterprise Funds

The School District's Enterprise Funds are the Food Service, Uniform School Supplies, and Latchkey funds. The School District experienced net losses of \$64,833, \$2,242, and \$9,730, respectively. At June 30, 1999, the Food Service fund had deficit retained earnings of \$28,700, which was created by the application of generally accepted accounting principles. The School District is currently monitoring the financial condition of the food service fund and is taking steps to reduce spending. On a cash basis, the School District has sufficient money for its current operations.

Debt Administration

The School District had one debt issue outstanding at June 30, 1999. The issue was for \$794,000 as an Energy Conservation Loan. The Loan was entered into on December 1, 1998, and will be fully retired in 2010 by transfers from the General Fund to the Permanent Improvement Capital Projects Fund. It is anticipated that the savings over eleven years will offset the costs. The School District's overall legal debt margin was \$10,524,038 with an unvoted debt margin of \$116,934, and an Energy Conservation debt margin of \$258,404 at June 30, 1999.

Cash Management

The School District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in STAROhio and U.S. Government Securities. The amount of interest income in fiscal year 1999 for all School District funds was \$322,757. A more detailed description of the School District's investment functions are described in Note 6 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, general 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.

For fiscal year 1999, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). 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 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 State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The Ohio Auditor of State conducted the School District's audit for fiscal year 1999. The Independent Accountant's report on the School District's general purpose financial statements, combining and individual fund and account group financial statements and schedules is included in the financial section of this Comprehensive Annual Financial Report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certification of Achievement for Excellence in Financial Reporting to any government unit who publishes an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report is required to satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. Since this report was prepared with the stringent guidelines of the Certificate of Achievement Program in mind, it will be submitted to GFOA to determine its eligibility for the Certificate of Achievement for the fiscal year ended June 30, 1999.

ASBO CERTIFICATE

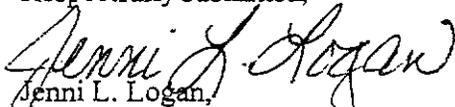
The Association of School Business Officials (ASBO) International Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report for review by an ASBO Panel of Review. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The Waverly City School District will also be submitting its first Comprehensive Annual Financial Report for this award for the fiscal year ended June 30, 1999.

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

Waverly City School District

*List of Principal Officials
June 30, 1999*

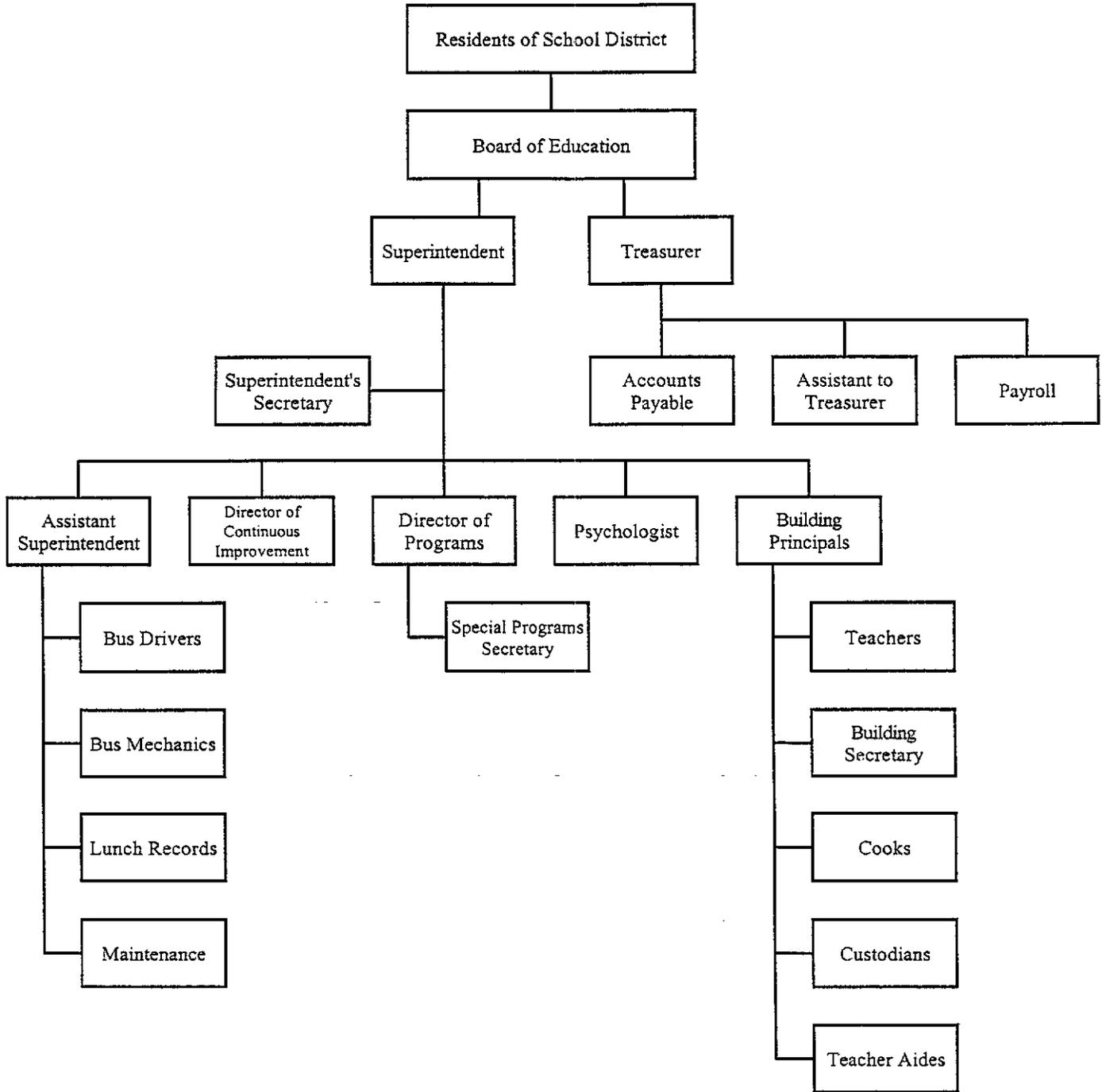
ELECTED OFFICIALS

President, Board of Education Linda Shoemaker
Vice President, Board of Education Sharon Manson
Board Member Randy Armbruster
Board Member Lee Crocker
Board Member Nancy Thompson

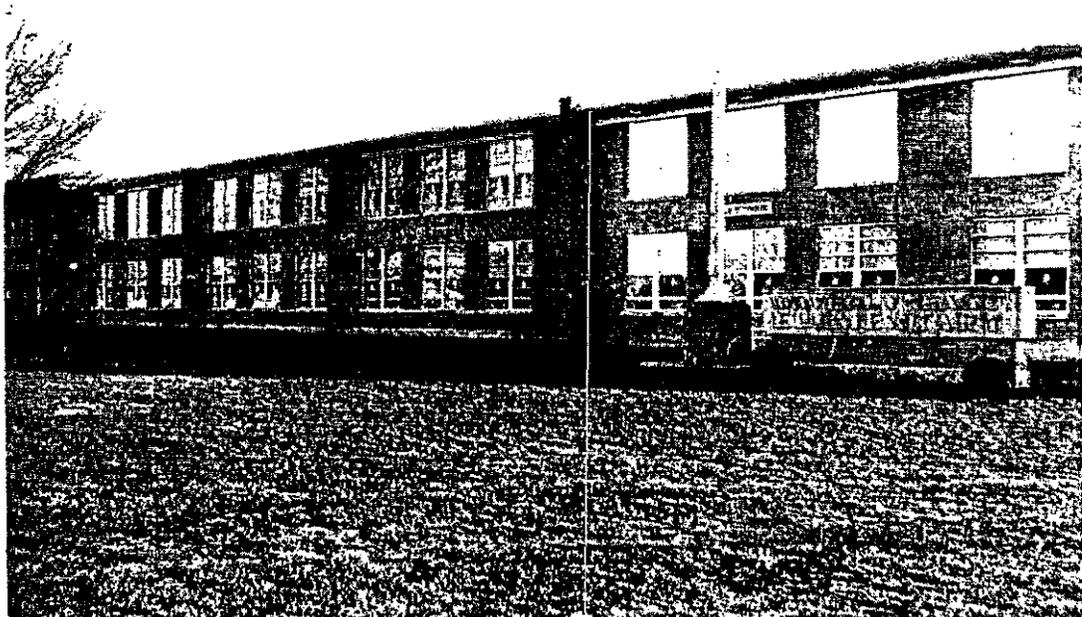
ADMINISTRATIVE OFFICIALS

Superintendent Euggle Robertson
Treasurer Jenni L. Logan
Assistant Superintendent Roger Ramsey
Director of Programs Madelyn Migyanko
Director of Continuous Improvement Rick Teeters
Principal, Waverly High School David 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



FINANCIAL SECTION



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

Waverly East Primary School currently houses 572 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.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

745 East State Street
Athens Mall, Suite B
Athens, Ohio 45701

Telephone 740-594-3300
800-441-1389

Facsimile 740-594-2110

Independent Accountants' Report

Board of Education
Waverly City School District
Pike County
500 East Second Street
Waverly, Ohio 45690

We have audited the accompanying general purpose financial statements of the Waverly City School District, Pike County, as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Waverly City School District, Pike County, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As described in Note 3 to the accompanying general purpose financial statements, during the year ended June 30, 1999, the School District changed its method of accounting and financial reporting for its Internal Revenue Code Section 457 Deferred Compensation Plans.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 1999, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts, and grants.

Waverly City School District
Pike County
Independent Accountants' Report
Page 2

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the School District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the statistical section of this report and, therefore, express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jimi Petro", with a large, sweeping flourish at the end.

JIMI PETRO
Auditor of State

December 22, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the School District's financial position at June 30, 1999, and the results of operations and cash flows of its proprietary funds for the fiscal year then ended.

Waverly City School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1999

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,336,425	\$211,913	\$7,949	\$602,438
Receivables:				
Taxes	2,549,617	0	0	0
Accounts	72	0	0	0
Intergovernmental	0	193,472	0	0
Interfund Receivable	60,000	0	0	0
Prepaid Items	12,533	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	65,928	5,121	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	125,234	0	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund for Retirement of General Obligations	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u>\$8,149,809</u>	<u>\$410,506</u>	<u>\$7,949</u>	<u>\$602,438</u>

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$35,268	\$55,402	\$0	\$0	\$6,249,395
0	0	0	0	2,549,617
226	390	0	0	688
0	0	0	0	193,472
0	0	0	0	60,000
0	0	0	0	12,533
11,573	0	0	0	11,573
751	0	0	0	71,800
0	0	0	0	125,234
10,593	0	4,250,561	0	4,261,154
0	0	0	7,949	7,949
0	0	0	1,461,275	1,461,275
<u>\$58,411</u>	<u>\$55,792</u>	<u>\$4,250,561</u>	<u>\$1,469,224</u>	<u>\$15,004,690</u> (continued)

Waverly City School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1999
(Continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$106,404	\$5,035	\$0	\$3,278
Accrued Wages and Benefits	775,946	124,976	0	0
Compensated Absences Payable	15,035	0	0	0
Interfund Payable	0	60,000	0	0
Intergovernmental Payable	165,531	20,775	0	40
Deferred Revenue	2,342,632	0	0	0
Undistributed Monies	202	0	0	0
Energy Conservation Loan Payable	0	0	0	0
Total Liabilities	3,405,750	210,786	0	3,318
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	977,524	82,990	0	524,607
Reserved for Inventory	65,928	5,121	0	0
Reserved for Property Taxes	206,985	0	0	0
Reserved for Budget Stabilization	125,234	0	0	0
Unreserved:				
Undesignated	3,368,388	111,609	7,949	74,513
Total Fund Equity (Deficit) and Other Credits	4,744,059	199,720	7,949	599,120
Total Liabilities, Fund Equity and Other Credits	\$8,149,809	\$410,506	\$7,949	\$602,438

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$5,279	\$0	\$0	\$0	\$119,996
29,394	0	0	0	930,316
6,544	0	0	593,645	615,224
0	0	0	0	60,000
28,496	0	0	81,579	296,421
10,797	0	0	0	2,353,429
0	55,792	0	0	55,994
0	0	0	794,000	794,000
<u>80,510</u>	<u>55,792</u>	<u>0</u>	<u>1,469,224</u>	<u>5,225,380</u>
0	0	4,250,561	0	4,250,561
(22,099)	0	0	0	(22,099)
0	0	0	0	1,585,121
0	0	0	0	71,049
0	0	0	0	206,985
0	0	0	0	125,234
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,562,459</u>
<u>(22,099)</u>	<u>0</u>	<u>4,250,561</u>	<u>0</u>	<u>9,779,310</u>
<u>\$58,411</u>	<u>\$55,792</u>	<u>\$4,250,561</u>	<u>\$1,469,224</u>	<u>\$15,004,690</u>

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Waverly City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types			Totals (Memorandum Only)	
	General	Special Revenue	Debt Service		Capital Projects
<u>Revenues:</u>					
Property Taxes	\$2,635,177	\$0	\$0	\$0	\$2,635,177
Intergovernmental	6,319,332	1,274,714	0	356,399	7,950,445
Interest	322,757	0	0	0	322,757
Tuition and Fees	32,434	0	0	0	32,434
Rent	5,478	1,070	0	0	6,548
Extracurricular Activities	0	132,451	0	0	132,451
Gifts and Donations	42,500	12,640	0	0	55,140
Customer Services	13,553	0	0	0	13,553
Miscellaneous	93,264	30,401	0	0	123,665
Total Revenues	9,464,495	1,451,276	0	356,399	11,272,170
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	4,307,605	436,689	0	122,532	4,866,826
Special	782,264	120,500	0	0	902,764
Vocational	123,038	0	0	0	123,038
Other	119,062	0	0	0	119,062
Support Services:					
Pupils	513,309	25,710	0	0	539,019
Instructional Staff	273,290	429,788	0	23,258	726,336
Board of Education	28,111	0	0	0	28,111
Administration	738,569	97,079	0	0	835,648
Fiscal	283,291	0	0	0	283,291
Operation and Maintenance of Plant	996,183	0	0	0	996,183
Pupil Transportation	633,950	6,341	0	129	640,420
Central	15,714	4,186	0	0	19,900
Operation of Non-Instructional Services	3,034	12,037	0	0	15,071
Extracurricular Activities	163,066	113,071	0	0	276,137
Capital Outlay	126,840	0	0	711,853	838,693
Total Expenditures	9,107,326	1,245,401	0	857,772	11,210,499
Excess of Revenues Over (Under) Expenditures	357,169	205,875	0	(501,373)	61,671
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Fixed Assets	875	0	0	0	875
Proceeds from Loans	0	0	0	794,000	794,000
Operating Transfers In	0	9,996	0	21,627	31,623
Operating Transfers Out	(32,567)	(374)	0	0	(32,941)
Total Other Financing Sources (Uses)	(31,692)	9,622	0	815,627	793,557
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	325,477	215,497	0	314,254	855,228
Fund Balances (Deficit) at Beginning of Year	4,432,738	(16,431)	7,949	284,866	4,709,122
Increase (Decrease) in Reserve for Inventory	(14,156)	654	0	0	(13,502)
Fund Balances at End of Year	\$4,744,059	\$199,720	\$7,949	\$599,120	\$5,550,848

See accompanying notes to the general purpose financial statements

Waverly City School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 1999

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$2,641,186	\$2,641,186	\$0	\$0	\$0	\$0
Intergovernmental	6,239,020	6,282,302	43,282	1,116,661	1,116,661	0
Interest	274,568	308,971	34,403	0	0	0
Tuition and Fees	19,980	32,362	12,382	0	0	0
Rent	1,022	5,478	4,456	1,070	1,070	0
Extracurricular Activities	0	0	0	132,451	132,451	0
Gifts and Donations	42,500	42,500	0	12,640	12,640	0
Customer Services	13,553	13,553	0	0	0	0
Miscellaneous	89,452	90,952	1,500	30,401	30,401	0
Total Revenues	9,321,281	9,417,304	96,023	1,293,223	1,293,223	0
Expenditures:						
Current:						
Instruction:						
Regular	4,778,475	4,444,836	333,639	504,047	492,302	11,745
Special	1,203,867	785,974	417,893	172,560	172,560	0
Vocational	144,196	125,370	18,826	0	0	0
Other	120,616	119,062	1,554	0	0	0
Support Services:						
Pupils	587,571	510,710	76,861	34,173	31,534	2,639
Instructional Staff	401,066	289,247	111,819	393,932	393,008	924
Board of Education	45,546	31,107	14,439	0	0	0
Administration	971,866	772,810	199,056	126,953	110,258	16,695
Fiscal	350,218	300,129	50,089	0	0	0
Operation and Maintenance of Plant	1,667,795	1,211,584	456,211	0	0	0
Pupil Transportation	821,635	708,136	113,499	6,682	6,330	352
Central	27,635	19,444	8,191	5,876	5,876	0
Operation of Non-Instructional Services						
	4,657	3,034	1,623	31,979	31,334	645
Extracurricular Activities	202,662	163,444	39,218	129,807	127,863	1,944
Capital Outlay	629,576	612,531	17,045	0	0	0
Total Expenditures	11,957,381	10,097,418	1,859,963	1,406,009	1,371,065	34,944
Excess of Revenues Over (Under) Expenditures	(2,636,100)	(680,114)	1,955,986	(112,786)	(77,842)	34,944
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	875	875	0	0	0	0
Refund of Prior Year Expenditures	47,772	48,895	1,123	0	0	0
Proceeds from Loans	0	0	0	0	0	0
Advances In	0	0	0	60,000	60,000	0
Advances Out	(100,000)	(60,000)	40,000	0	0	0
Operating Transfers In	66,971	66,971	0	59,235	59,235	0
Operating Transfers Out	(101,912)	(101,912)	0	(49,619)	(49,613)	6
Other Financing Sources	0	4,000	4,000	0	0	0
Total Other Financing Sources (Uses)	(86,294)	(41,171)	45,123	69,616	69,622	6
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,722,394)	(721,285)	2,001,109	(43,170)	(8,220)	34,950
Fund Balances at Beginning of Year	4,786,793	4,786,793	0	123,806	123,806	0
Prior Year Encumbrances	298,359	298,359	0	9,766	9,766	0
Fund Balances at End of Year	\$2,362,758	\$4,363,867	\$2,001,109	\$90,402	\$125,352	\$34,950

See accompanying notes to the general purpose financial statements

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$2,641,186	\$2,641,186	\$0
0	0	0	356,399	356,399	0	7,712,080	7,755,362	43,282
0	0	0	0	0	0	274,568	308,971	34,403
0	0	0	0	0	0	19,980	32,362	12,382
0	0	0	0	0	0	2,092	6,548	4,456
0	0	0	0	0	0	132,451	132,451	0
0	0	0	0	0	0	55,140	55,140	0
0	0	0	0	0	0	13,553	13,553	0
0	0	0	0	0	0	119,853	121,353	1,500
0	0	0	356,399	356,399	0	10,970,903	11,066,926	96,023
0	0	0	133,916	122,531	11,385	5,416,438	5,059,669	356,769
0	0	0	0	0	0	1,376,427	958,534	417,893
0	0	0	0	0	0	144,196	125,370	18,826
0	0	0	0	0	0	120,616	119,062	1,554
0	0	0	8	0	8	621,752	542,244	79,508
0	0	0	24,481	23,218	1,263	819,479	705,473	114,006
0	0	0	0	0	0	45,546	31,107	14,439
0	0	0	0	0	0	1,098,819	883,068	215,751
0	0	0	0	0	0	350,218	300,129	50,089
0	0	0	0	0	0	1,667,795	1,211,584	456,211
0	0	0	734	129	605	829,051	714,595	114,456
0	0	0	0	0	0	33,511	25,320	8,191
0	0	0	0	0	0	36,636	34,368	2,268
0	0	0	0	0	0	332,469	291,307	41,162
0	0	0	1,250,589	1,236,460	14,129	1,880,165	1,848,991	31,174
0	0	0	1,409,728	1,382,338	27,390	14,773,118	12,850,821	1,922,297
0	0	0	(1,053,329)	(1,025,939)	27,390	(3,802,215)	(1,783,895)	2,018,320
0	0	0	0	0	0	875	875	4,000
0	0	0	0	0	0	47,772	48,895	1,123
0	0	0	794,000	794,000	0	794,000	794,000	0
0	0	0	0	0	0	60,000	60,000	0
0	0	0	0	0	0	(100,000)	(60,000)	40,000
0	0	0	21,627	21,627	0	147,833	147,833	0
0	0	0	0	0	0	(151,531)	(151,525)	6
0	0	0	0	0	0	0	4,000	0
0	0	0	815,627	815,627	0	798,949	844,078	45,129
0	0	0	(237,702)	(210,312)	27,390	(3,003,266)	(939,817)	2,063,449
7,949	7,949	0	12,266	12,266	0	4,930,814	4,930,814	0
0	0	0	272,600	272,600	0	580,725	580,725	0
\$7,949	\$7,949	\$0	\$47,164	\$74,554	\$27,390	\$2,508,273	\$4,571,722	\$2,063,449

Waverly City School District
 Combined Statement of Revenues,
 Expenses and Changes in Retained Earnings
 Proprietary Fund Type
 For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>
<u>Operating Revenues:</u>	
Tuition	\$14,862
Sales	195,189
	<u>210,051</u>
<u>Operating Expenses:</u>	
Salaries	204,178
Fringe Benefits	91,905
Purchased Services	9,664
Materials and Supplies	34,001
Cost of Sales	245,786
Depreciation	1,145
Other	692
	<u>587,371</u>
Total Operating Expenses	587,371
Operating Loss	<u>(377,320)</u>
<u>Non-Operating Revenues:</u>	
Federal Donated Commodities	31,962
Federal and State Subsidies	266,628
Interest	607
	<u>299,197</u>
Total Non-Operating Revenues	299,197
Loss Before Operating Transfers	(78,123)
Operating Transfers In	<u>1,318</u>
Net Loss	(76,805)
Retained Earnings at Beginning of Year	<u>54,706</u>
Retained Earnings (Deficit) at End of Year	<u>(\$22,099)</u>

See accompanying notes to the general purpose financial statements

Waverly City School District
Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999

	Enterprise		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues:</u>			
Tuition	\$14,636	\$14,636	\$0
Sales	184,538	184,917	379
Interest	0	607	607
Other Revenues	9,800	10,272	472
Federal and State Subsidies	266,628	266,628	0
Total Revenues	475,602	477,060	1,458
<u>Expenses:</u>			
Salaries	210,843	210,033	810
Fringe Benefits	95,315	87,768	7,547
Purchased Services	9,759	9,759	0
Materials and Supplies	250,687	248,271	2,416
Capital Outlay	12,500	9,275	3,225
Other	983	692	291
Total Expenses	580,087	565,798	14,289
Excess of Revenues Over (Under) Expenses	(104,485)	(88,738)	15,747
Operating Transfers In	1,318	1,318	0
Excess of Revenues Over (Under) Expenses and Transfers	(103,167)	(87,420)	15,747
Fund Equity at Beginning of Year	102,469	102,469	0
Prior Year Encumbrances	18,266	18,266	0
Fund Equity at End of Year	\$17,568	\$33,315	\$15,747

See accompanying notes to the general purpose financial statements

Waverly City School District
Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999

	Enterprise
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$199,553
Cash Received from Other Operating Revenues	10,272
Cash Payments to Suppliers for Goods and Services	(262,068)
Cash Payments to Employees for Services	(210,033)
Cash Payments for Employee Benefits	(87,768)
	(350,044)
Net Cash Used for Operating Activities	
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Operating Transfers In	1,318
Operating Grants Received	266,628
	267,946
Net Cash Provided by Noncapital Financing Activities	
<u>Cash Flows from Noncapital Financing Activities:</u>	
Payments for Capital Acquisitions	(3,976)
	607
<u>Cash Flows from Investing Activities:</u>	
Interest Received on Investments	607
	(85,467)
Net Decrease in Cash and Cash Equivalents	
Cash and Cash Equivalents at Beginning of Year	120,735
Cash and Cash Equivalents at End of Year	\$35,268
 <u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>	
Operating Loss	(\$377,320)
 <u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>	
Depreciation	1,145
Donated Commodities Used During Year	31,962
<u>Changes in Assets and Liabilities:</u>	
Increase in Accounts Receivable	(226)
Increase in Materials and Supplies Inventory	(146)
Increase in Inventory Held for Resale	(63)
Decrease in Accounts Payable	(3,678)
Increase in Accrued Wages and Benefits	1,143
Decrease in Compensated Absences Payable	(2,216)
Decrease in Intergovernmental Payable	(645)
	27,276
Total Adjustments	
Net Cash Used For Operating Activities	(\$350,044)

See accompanying notes to the general purpose financial statements

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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/or 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 89 non-certificated employees, 117 certificated full-time teaching personnel and 11 administrative employees who provide services to 2,093 students and other community members. The School District currently operates 4 instructional buildings, and 1 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.

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

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY
(continued)

The School District is associated with four organizations, three of which are defined as jointly governed organizations, and one as a insurance purchasing pool. These organizations are the South Central Ohio Computer Association, Pike County Joint Vocational School, Coalition of Rural and Appalachian Schools, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 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 proprietary 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 - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial 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 recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following are the School District's governmental fund types:

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

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

Capital Projects Funds - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Type:

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following is the School District's proprietary fund type:

Enterprise Funds - Enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Type:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The School District has no contributed capital. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

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

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

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.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations at the function and object level within all funds are made by the School District Treasurer. Because the activity of agency funds is not budgeted, transfers in and transfers out do not equal on a budgetary basis due to a transfer of \$2,374 to an agency fund from the general fund.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Pike County Budget Commission for rate determination.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the legal level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, two supplemental appropriations were legally enacted; however, neither of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lapsing of Appropriations:

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 1999, investments were limited to STAROhio and U.S. Government Securities. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts are reported at cost.

The District has invested funds in the State Treasury Assets Reserve of Ohio (STAROhio) during fiscal year 1999. 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, 1999.

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 1999 amounted to \$322,757, which includes \$48,394 assigned from other School District funds. The Enterprise funds also received interest of \$607.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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 considered to be cash equivalents.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed 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 have any infrastructure.

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. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are depreciated using the straight-line method over an estimated useful life of 50 years for buildings and improvements, 3 years for textbooks and 10 years for vehicles. Depreciation of furniture and equipment in both the general fixed assets account group and the enterprise funds is computed using the straight-line method over an estimated useful life of 15 years.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

- Disadvantaged Pupil Impact Aid
- Education Management Information Systems
- Auxiliary Services
- Preschool
- Eisenhower Grant
- Title VI-B
- Title I
- Title VI
- Drug-Free Schools
- School to Work
- Teacher Development
- Pupil Competency
- Textbook Subsidy

Capital Projects Funds

- SchoolNet Plus
- Technology Equity
- Emergency Building Repair

Reimbursable Grants

Proprietary Funds

- National School Lunch Program
- Government Donated Commodities

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and entitlements received in governmental funds amounted to approximately 71 percent of Governmental fund revenue during the 1999 fiscal year.

I. Interfund Assets/Liabilities

Short-term interfund loans are classified as "interfund receivables" and "interfund payables."

J. 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. 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.

For governmental funds, the School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. 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 current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are considered not to have used current available financial resources. Long-term loans payable are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenue amounts required by statute to be set aside by the School District to create a reserve for budget stabilization. See Note 20 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

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, inventories of supplies and materials, property taxes, and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations 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. Estimates

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

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 1999, the School District implemented *GASB Statement No. 32, "Deferred Compensation Plans"*. This statement eliminates the requirement that the School District report plan assets in an agency fund if the plan has established a trust fund whose assets are not held by the School District in a fiduciary capacity. The Ohio Public Employees Deferred Compensation Plan has established such a trust fund and the amounts are no longer reported on the School District's balance sheet as of June 30, 1999.

NOTE 4 - ACCOUNTABILITY

At June 30, 1999, the Preschool, Disadvantaged Pupil Impact Aid, and Title VI-B Special Revenue Funds, as well as the Food Services and Latchkey Enterprise Funds had deficit fund balances/retained earnings of \$809, \$50,444, \$11,242, \$28,700, and \$60, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The School District is currently monitoring the financial condition of the food service fund and is taking steps to reduce spending. On a cash basis, the School District has sufficient money for its current operations.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types

	General	Special Revenue	Capital Projects
GAAP Basis	\$325,477	\$215,497	\$314,254
Revenue Accruals	5,704	(158,053)	0
Expenditure Accruals	91,337	(39,103)	3,318
Advances	(60,000)	60,000	0
Encumbrances	(1,083,803)	(86,561)	(527,884)
Budget Basis	(\$721,285)	(\$8,220)	(\$210,312)

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

Net Loss/Excess of Revenues Under Expenses and Transfers Proprietary Fund Type	<u>Enterprise</u>
GAAP Basis	(\$76,805)
Revenue Accruals	(32,188)
Expense Accruals	18,405
Capital Outlay	3,976
Depreciation	1,145
Encumbrances	<u>(1,953)</u>
Budget Basis	<u><u>(\$87,420)</u></u>

NOTE 6 - 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.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current two 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.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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 obligations or securities 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.

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.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$68,806 and the bank balance was \$309,583. Of the bank balance, \$100,000 was covered by federal depository insurance and \$209,583 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 Federal Deposit Insurance Corporation.

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 or 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. The School District's investments in STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Fair Value
U.S. Government Securities	\$5,262,960	\$5,276,746
STAR Ohio	0	1,029,077
Totals	\$5,262,960	\$6,305,823

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."*

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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>	\$6,374,629	\$0
Investments:		
U. S. Government Securities	(5,276,746)	5,276,746
STAROhio	(1,029,077)	1,029,077
<i>GASB Statement No. 3</i>	\$68,806	\$6,305,823

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District 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 1999 for real and public utility property taxes represents collections of calendar 1998 taxes. Property tax payments received during calendar 1999 for tangible personal property (other than public utility property) is for calendar 1999 taxes.

1999 real property taxes are levied after April 1, 1999, on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

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. 1999 public utility property taxes became a lien December 31, 1998, are levied after April 1, 1999 and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after April 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are twenty-five percent of true value.

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.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 7 - PROPERTY TAXES (continued)

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.

The assessed values upon which fiscal year 1999 taxes were collected are:

	1998 Second- Half Collections		1999 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$78,017,170	69.23%	\$80,312,350	68.68%
Public Utility	12,286,090	10.90%	13,173,640	11.27%
Tangible Personal Property	22,389,505	19.87%	23,447,763	20.05%
Total Assessed Value	\$112,692,765	100.00%	\$116,933,753	100.00%
Tax rate per \$1,000 of assessed valuation	\$32.50		\$32.50	

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, 1999, are available to finance fiscal year 2000 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 and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$206,985 in the General Fund.

NOTE 8 - RECEIVABLES

Receivables at June 30, 1999, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Special Revenue Fund	
Title I	\$193,472

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 9 - FIXED ASSETS

A summary of the enterprise fund's fixed assets at June 30, 1999, follows:

Furniture and Equipment	\$190,578
Less Accumulated Depreciation	<u>(179,985)</u>
Net Fixed Assets	<u>\$10,593</u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

<u>Asset Category</u>	<u>Balance at 6/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/99</u>
Land and Improvements	\$1,531,777	\$6,710	\$0	\$1,538,487
Buildings and Improvements	4,994,463	40,446	0	5,041,492
Furniture, Fixtures and Equipment	2,472,858	398,465	68,532	2,796,208
Vehicles	1,180,389	14,144	0	1,194,533
Books and Educational Media	<u>707,726</u>	<u>0</u>		<u>707,726</u>
Totals	<u>\$10,887,213</u>	<u>\$459,765</u>	<u>\$68,532</u>	11,278,446
Less Accumulated Depreciation				<u>(7,027,885)</u>
Total General Fixed Assets				<u>\$4,250,561</u>

NOTE 10 - 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 1999, the School District contracted with Nationwide Insurance for fleet and liability insurance, Cincinnati Insurance for property insurance, and State Farm Insurance for automobile insurance. Coverages are as follows:

Building and Contents-replacement cost(\$1,000 deductible)	\$22,317,179
Blanket Business - Personal Property	4,417,553
Inland Marine Coverage (\$100 deductible)	33,150
Boiler and Machinery (\$250 deductible)	300,000
Crime Insurance (\$100 deductible)	6,000
Automobile Liability (\$250 deductible)	1,000,000
Uninsured Motorists (\$250 deductible)	1,000,000
General Liability	
Per occurrence	1,000,000
Total per year	5,000,000

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 10 - RISK MANAGEMENT (continued)

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last 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 1999, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). 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 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

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 School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 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 required contributions for pension

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$108,105, \$128,227, and \$132,347, respectively; 49.29 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$54,816 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

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, 1999, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 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, 1999, 1998, and 1997 were \$278,004, \$510,568, and \$574,949, respectively; 81.28 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$52,051 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

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, 1999, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). 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.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

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, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled \$370,673 for fiscal year 1999.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the latest information available) the balance in the Fund was \$2,156 million. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 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, 1999, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. 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 1999, 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 1999 fiscal year equaled \$127,891.

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 125 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1998 (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 220 days for all certified 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 35 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.

GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" provides accounting guidelines for deferred compensation plans. The School District participates in the Ohio Public Employees Deferred Compensation Program. During 1998, the Ohio Public Employees Deferred Compensation Program created a trust for the assets of the plan for which the School District has no fiduciary responsibility. Therefore, plan assets are no longer presented on the balance sheet.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

	Principal Outstanding 6/30/98	Additions	Deductions	Principal Outstanding 6/30/99
Energy Conservation Loan 1998 4.35%	\$0	\$794,000	\$0	\$794,000
Intergovernmental Payable	79,844	81,579	79,844	81,579
Compensated Absences	528,625	65,020	0	593,645
Total General Long-Term Obligations	<u>\$608,469</u>	<u>\$940,599</u>	<u>\$79,844</u>	<u>\$1,469,224</u>

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 permanent improvement capital projects fund. It is anticipated that the savings over eleven years will offset the costs.

Compensated absences and pension obligations will be paid from the fund from which the employees' salaries are paid.

The School District's overall legal debt margin was \$10,524,038 with an unvoted debt margin of \$116,934, and an Energy Conservation debt margin of \$258,404 at June 30, 1999.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 1999, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2000	\$60,747	\$31,606	\$92,353
2001	59,755	32,598	92,353
2002	62,411	29,942	92,353
2003	65,186	27,167	92,353
2004	68,084	24,269	92,353
2005-2009	388,605	73,160	461,765
2010	89,212	3,966	93,178
Total	<u>\$794,000</u>	<u>\$222,708</u>	<u>\$1,016,708</u>

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains three enterprise funds to account for the operations of food service sales, uniform school supplies, and latchkey. The table below reflects the more significant financial data relating to the enterprise funds of the Waverly City School District as of and for the fiscal year ended June 30, 1999.

	Food Services	Uniform School Supplies	Latchkey	Total Enterprise Funds
Operating Revenues	\$184,917	\$10,498	\$14,636	\$210,051
Depreciation Expense	1,145	0	0	1,145
Operating Loss	(364,030)	(2,242)	(11,048)	(377,320)
Donated Commodities	31,962	0	0	31,962
Operating Grants	266,628	0	0	266,628
Interest	607	0	0	607
Operating Transfers	0	0	1,318	1,318
Net Loss	(64,833)	(2,242)	(9,730)	(76,805)
Net Working Capital	(39,293)	6,661	(60)	(32,692)
Fixed Asset Additions	3,976	0	0	3,976
Total Assets	46,471	11,940	0	58,411
Total Equity	(28,700)	6,661	(60)	(22,099)
Encumbrances Outstanding at June 30, 1999	\$95	\$1,858	\$0	\$1,953

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

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 Highland, Adams, Pike, Scioto, Brown, Ross, Vinton 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 board of SCOCA consists of two representatives from each county elected by majority vote of all charter member school districts within each county, two treasurers elected by majority vote of all charter member school districts, and one representative from the fiscal agent. The School District paid SCOCA \$4,388 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.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 16 - JOINTLY GOVERNED ORGANIZATION (continued)

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 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.

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.

NOTE 17 - INSURANCE PURCHASING POOL

Ohio School Boards Association 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.

NOTE 18 - SCHOOL FUNDING

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$5,631,130 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of the date of this report, the Ohio Supreme Court

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 18 - SCHOOL FUNDING (continued)

has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

NOTE 19 - INTERFUND ACTIVITY

As of June 30, 1999, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund Type/Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$60,000	\$0
Special Revenue Funds:		
Title VI-B	0	10,000
Title I	0	50,000
Total Special Revenue Funds	0	60,000
Total All Funds	<u>\$60,000</u>	<u>\$60,000</u>

NOTE 20 - 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 and 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. The School District is also required to set aside money for budget stabilization. The School District also receives grant monies to be used for school bus purchases.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 20 - SET-ASIDE CALCULATIONS (continued)

A. Textbooks and Instructional Materials

Set-aside balance carried forward from the prior year		\$0
Current year set-aside requirement	\$137,441	
Qualifying expenditures made during the year	(108,516)	
Amount of offsets for the year	<u>(28,925)</u>	
Total		<u>0</u>
Balance of the set-aside to be carried forward to next year		<u><u>\$0</u></u>

B. Capital Improvements

Set-aside balance carried forward from the prior year		\$0
Current year set-aside requirement	\$137,441	
Qualifying expenditures made during the year	(137,441)	
Amount of offsets for the year	<u>0</u>	
Total		<u>0</u>
Balance of the set-aside to be carried forward to next year		<u><u>\$0</u></u>

C. Budget Stabilization

Set-aside balance carried forward from the prior year		\$56,514
Current year set-aside requirement	\$68,720	
Qualifying expenditures made during the year	0	
Amount of offsets for the year	<u>0</u>	
Total		<u>68,720</u>
Balance of the set-aside to be carried forward to next year		<u><u>\$125,234</u></u>

D. School Bus Purchases

Balance carried forward from the prior year		\$0
Current year amount received	\$37,793	
Qualifying expenditures made during the year	<u>(37,793)</u>	
Total		<u>0</u>
Balance to be carried forward to next year		<u><u>\$0</u></u>

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 20 - SET-ASIDE CALCULATIONS (continued)

Amounts of offsets and qualifying expenditures presented in the table were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures during the year, these extra amounts may not be used to reduce the set-aside requirements of future years, and are therefore not presented.

NOTE 21 - CONTRACTUAL COMMITMENTS

As of June 30, 1999, the School District had contractual purchase commitments for the completion of the House Bill 264 Project and a new roof in the high school gym as follows:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 6/30/99</u>
Fairfax	\$46,275	\$33,773	\$12,502
Control Solutions	818,198	255,242	562,956
Total	<u>\$864,473</u>	<u>\$289,015</u>	<u>\$575,458</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, 1999.

B. Litigation

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

NOTE 23 - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the governments's operations.

The School District contracted with Navix Information Engineering, Inc. to assess the School District in regard to inventory and all internal components beyond software and hardware considered to be part of the Year 2000 concerns. The report has been completed and is ready for final summary and remediation of any non-compliant systems. Such remediation will be carried out in-house if considered feasible or will be performed by outside experts if needed.

Waverly City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 23 - YEAR 2000 ISSUE (continued)

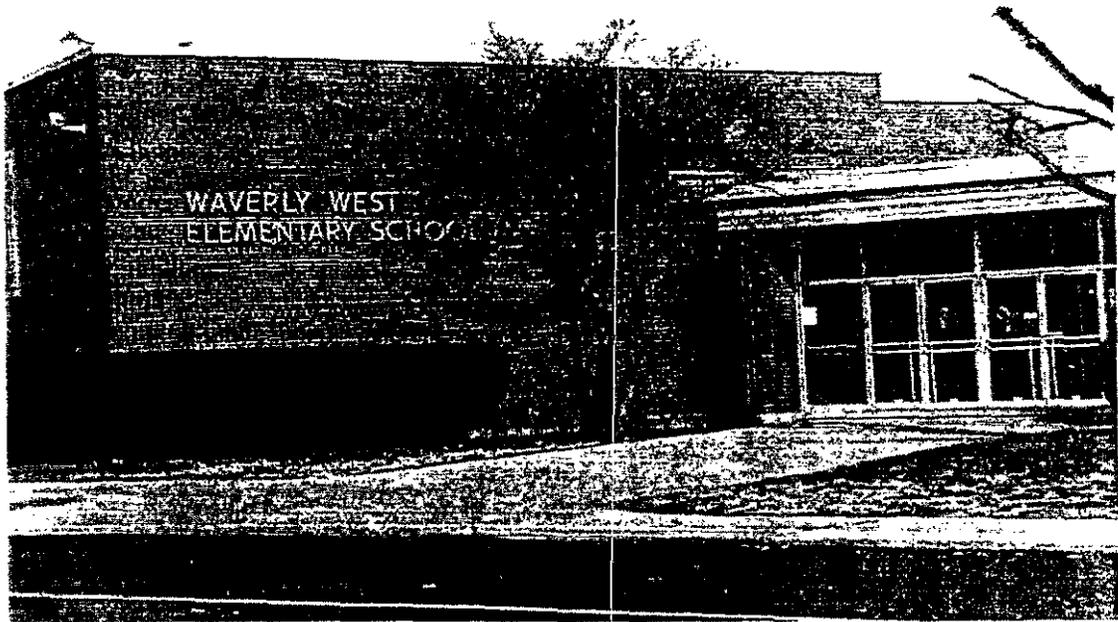
The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform School Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems.

Pike County collects property taxes for distribution to the School District. Pike County is responsible for remediating its tax collection system.

The State of Ohio distributes a substantial sum of money to the School District in the form of "Foundation" payments. Further, the State processes a significant amount of financial and nonfinancial information about the School District through EMIS. The State is responsible for remediating these systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the School District is or will be Year 2000 ready, that the School District's remediation efforts will be successful in whole or in part, or that parties with whom the School District does business will be year 2000 ready.

COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS AND SCHEDULES



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

Waverly West Intermediate School currently houses 473 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.

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$2,641,186	\$2,641,186	\$0
Intergovernmental	6,239,020	6,282,302	43,282
Interest	274,568	308,971	34,403
Tuition and Fees	19,980	32,362	12,382
Rent	1,022	5,478	4,456
Gifts and Donations	42,500	42,500	0
Customer Services	13,553	13,553	0
Miscellaneous	89,452	90,952	1,500
Total Revenues	9,321,281	9,417,304	96,023
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	3,421,692	3,190,518	231,174
Fringe Benefits	764,190	733,589	30,601
Purchased Services	97,247	81,132	16,115
Materials and Supplies	361,537	341,047	20,490
Capital Outlay - New	59,901	50,602	9,299
Capital Outlay - Replacement	67,597	43,297	24,300
Other	6,311	4,651	1,660
Total Regular Instruction	4,778,475	4,444,836	333,639
Special Instruction:			
Salaries and Wages	656,261	551,916	104,345
Fringe Benefits	141,866	126,439	15,427
Purchased Services	379,824	87,171	292,653
Materials and Supplies	19,470	17,192	2,278
Capital Outlay - New	3,357	1,625	1,732
Capital Outlay - Replacement	2,015	839	1,176
Other	1,074	792	282
Total Special Instruction	\$1,203,867	\$785,974	\$417,893

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 1999
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Vocational Instruction:			
Salaries and Wages	\$108,385	\$95,469	\$12,916
Fringe Benefits	24,500	22,431	2,069
Purchased Services	2,419	1,618	801
Materials and Supplies	6,043	4,082	1,961
Capital Outlay - New	1,672	1,672	0
Capital Outlay - Replacement	1,043	0	1,043
Other	134	98	36
Total Vocational Instruction	144,196	125,370	18,826
Other Instruction:			
Purchased Services	120,616	119,062	1,554
Total Instruction	6,247,154	5,475,242	771,912
Support Services:			
Pupils:			
Salaries and Wages	333,856	301,624	32,232
Fringe Benefits	70,947	64,057	6,890
Purchased Services	134,742	119,549	15,193
Materials and Supplies	19,641	11,974	7,667
Capital Outlay - New	6,129	1,965	4,164
Capital Outlay - Replacement	21,343	10,802	10,541
Other	913	739	174
Total Pupils	587,571	510,710	76,861
Instructional Staff:			
Salaries and Wages	243,562	189,000	54,562
Fringe Benefits	91,071	57,569	33,502
Purchased Services	9,583	6,068	3,515
Materials and Supplies	37,223	24,806	12,417
Capital Outlay - New	12,996	6,841	6,155
Capital Outlay - Replacement	5,221	3,924	1,297
Other	1,410	1,039	371
Total Instructional Staff	\$401,066	\$289,247	\$111,819

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 1999
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Board of Education:			
Salaries and Wages	\$7,500	\$6,800	\$700
Fringe Benefits	645	309	336
Purchased Services	22,295	10,018	12,277
Materials and Supplies	300	149	151
Other	14,806	13,831	975
Total Board of Education	45,546	31,107	14,439
Administration:			
Salaries and Wages	599,334	517,255	82,079
Fringe Benefits	142,149	122,822	19,327
Purchased Services	133,941	85,492	48,449
Materials and Supplies	48,728	34,524	14,204
Capital Outlay - New	21,097	4,431	16,666
Capital Outlay - Replacement	23,155	6,356	16,799
Other	3,462	1,930	1,532
Total Administration	971,866	772,810	199,056
Fiscal:			
Salaries and Wages	124,790	98,386	26,404
Fringe Benefits	32,350	32,099	251
Purchased Services	44,921	35,650	9,271
Materials and Supplies	4,320	4,095	225
Capital Outlay - New	6,755	3,786	2,969
Capital Outlay - Replacement	723	0	723
Other	136,359	126,113	10,246
Total Fiscal	350,218	300,129	50,089
Operation and Maintenance of Plant:			
Salaries and Wages	367,230	339,937	27,293
Fringe Benefits	128,200	120,078	8,122
Purchased Services	817,581	481,415	336,166
Materials and Supplies	157,093	124,113	32,980
Capital Outlay - New	125,132	105,360	19,772
Capital Outlay - Replacement	71,619	39,990	31,629
Other	940	691	249
Total Operation and Maintenance of Plant	\$1,667,795	\$1,211,584	\$456,211

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 1999
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation:			
Salaries and Wages	\$308,041	\$279,280	\$28,761
Fringe Benefits	153,392	151,300	2,092
Purchased Services	72,997	57,005	15,992
Materials and Supplies	111,323	95,171	16,152
Capital Outlay - New	43,918	43,870	48
Capital Outlay - Replacement	120,471	70,480	49,991
Other	11,493	11,030	463
Total Pupil Transportation	821,635	708,136	113,499
Central:			
Purchased Services	27,635	19,444	8,191
Total Support Services	4,873,332	3,843,167	1,030,165
Operation of Non-Instructional Services			
Food Service:			
Salaries and Wages	252	186	66
Fringe Benefits	25	24	1
Purchased Services	780	0	780
Materials and Supplies	3,500	2,824	676
Total Food Service	4,557	3,034	1,523
Community Services:			
Fringe Benefits	100	0	100
Total Operation of Non-Instructional Services	4,657	3,034	1,623
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries and Wages	19,800	17,644	2,156
Fringe Benefits	19,615	4,485	15,130
Materials and Supplies	600	600	0
Total Academic Oriented Activities	40,015	22,729	17,286
Occupation Oriented Activities:			
Materials and Supplies	\$250	\$172	\$78

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 1999
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Sports Oriented Activities:			
Salaries and Wages	\$121,040	\$109,007	\$12,033
Fringe Benefits	20,082	14,368	5,714
Purchased Services	2,000	799	1,201
Materials and Supplies	400	86	314
Total Sports Oriented Activities	143,522	124,260	19,262
School Public Service:			
Salaries and Wages	15,850	13,397	2,453
Fringe Benefits	3,025	2,886	139
Total School Public Service	18,875	16,283	2,592
Total Extracurricular Activities	202,662	163,444	39,218
Capital Outlay			
Site Acquisition Services:			
Capital Outlay - New	60,000	49,000	11,000
Building Acquisition and Construction Services:			
Capital Outlay - New	189,010	188,089	921
Capital Outlay - Replacement	3,896	0	3,896
Total Building Acquisition and Construction Services	192,906	188,089	4,817
Building Improvement Services:			
Capital Outlay - New	376,670	375,442	1,228
Total Capital Outlay	629,576	612,531	17,045
Total Expenditures	11,957,381	10,097,418	1,859,963
Excess of Revenues Over (Under) Expenditures	(\$2,636,100)	(\$680,114)	\$1,955,986

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 1999
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<i>Other Financing Sources (Uses):</i>			
Proceeds from Sale of Fixed Assets	\$875	\$875	\$0
Refund of Prior Year Expenditures	47,772	48,895	1,123
Advances - Out	(100,000)	(60,000)	40,000
Operating Transfers - In	66,971	66,971	0
Operating Transfers - Out	(101,912)	(101,912)	0
Other Financing Sources	0	4,000	4,000
<i>Total Other Financing Sources (Uses)</i>	(86,294)	(41,171)	45,123
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,722,394)	(721,285)	2,001,109
Fund Balance at Beginning of Year	4,786,793	4,786,793	0
Prior Year Encumbrances	298,359	298,359	0
Fund Balance at End of Year	\$2,362,758	\$4,363,867	\$2,001,109

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SPECIAL REVENUE FUNDS

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

Public School Support

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

Underground Storage Tank

A fund established to hold the mandated amount for school districts who have underground storage tanks on their property.

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.

Pupil Competency

A fund provided to account for pupil competency in the area of financial literacy.

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.

Textbook Subsidy

To account for grant monies to be used for instructional materials, including textbooks.

(Continued)

SPECIAL REVENUE FUNDS (continued)

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.

Title VI-B

To account 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 gifted 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.

School To Work

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

Waverly City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 1999

	Public School Support	Underground Storage Tank	Athletics	Auxiliary Services
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$26,411	\$11,000	\$50,462	\$18,950
Receivables:				
Intergovernmental	0	0	0	0
Materials and Supplies Inventory	5,121	0	0	0
Total Assets	\$31,532	\$11,000	\$50,462	\$18,950
<u>Liabilities:</u>				
Accounts Payable	\$1,471	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	20	24
Total Liabilities	1,471	0	20	24
<u>Fund Equity:</u>				
Fund Balance:				
Reserved:				
Reserved for Encumbrances	1,158	0	14,190	18,949
Reserved for Inventory	5,121	0	0	0
Unreserved:				
Undesignated (Deficit)	23,782	11,000	36,252	(23)
Total Fund Equity (Deficit)	30,061	11,000	50,442	18,926
Total Liabilities and Fund Equity	\$31,532	\$11,000	\$50,462	\$18,950

Teacher Development	Pupil Competency	Education Management Information Systems	Preschool	Disadvantaged Pupil Impact Aid	Textbook Subsidy
\$2,023	\$14,000	\$1,697	\$14,292	\$15,584	\$28,925
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$2,023</u>	<u>\$14,000</u>	<u>\$1,697</u>	<u>\$14,292</u>	<u>\$15,584</u>	<u>\$28,925</u>
\$1,038	\$2,085	\$0	\$0	\$0	\$0
0	0	0	12,981	57,571	0
0	0	0	0	0	0
3	0	7	2,120	8,457	0
<u>1,041</u>	<u>2,085</u>	<u>7</u>	<u>15,101</u>	<u>66,028</u>	<u>0</u>
985	11,914	1,690	0	0	28,925
0	0	0	0	0	0
(3)	1	0	(809)	(50,444)	0
<u>982</u>	<u>11,915</u>	<u>1,690</u>	<u>(809)</u>	<u>(50,444)</u>	<u>28,925</u>
<u>\$2,023</u>	<u>\$14,000</u>	<u>\$1,697</u>	<u>\$14,292</u>	<u>\$15,584</u>	<u>\$28,925</u>

continued

Waverly City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 1999
(Continued)

	Eisenhower Grant	Title VI-B	Title I	Title VI
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$11,910	\$0	\$5,499	\$398
Receivables:				
Intergovernmental	0	0	193,472	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	\$11,910	\$0	\$198,971	\$398
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$441	\$0
Accrued Wages and Benefits	0	55	54,369	0
Interfund Payable	0	10,000	50,000	0
Intergovernmental Payable	0	1,187	8,923	0
Total Liabilities	0	11,242	113,733	0
<u>Fund Equity:</u>				
Fund Balance:				
Reserved:				
Reserved for Encumbrances	2,261	0	2,918	0
Reserved for Inventory	0	0	0	0
Unreserved:				
Undesignated (Deficit)	9,649	(11,242)	82,320	398
Total Fund Equity (Deficit)	11,910	(11,242)	85,238	398
Total Liabilities and Fund Equity	\$11,910	\$0	\$198,971	\$398

<u>Drug Free Schools</u>	<u>School To Work</u>	<u>Total Special Revenue Funds</u>
\$1,162	\$9,600	\$211,913
0	0	193,472
<u>0</u>	<u>0</u>	<u>5,121</u>
<u>\$1,162</u>	<u>\$9,600</u>	<u>\$410,506</u>
\$0	\$0	\$5,035
0	0	124,976
0	0	60,000
<u>0</u>	<u>34</u>	<u>20,775</u>
<u>0</u>	<u>34</u>	<u>210,786</u>
0	0	82,990
0	0	5,121
<u>1,162</u>	<u>9,566</u>	<u>111,609</u>
<u>1,162</u>	<u>9,566</u>	<u>199,720</u>
<u>\$1,162</u>	<u>\$9,600</u>	<u>\$410,506</u>

Waverly City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999

	Public School Support	Underground Storage Tank	Athletics	Auxiliary Services
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$0	\$28,954
Rent	1,070	0	0	0
Extracurricular Activities	28,421	0	104,030	0
Gifts and Donations	4,935	0	7,705	0
Miscellaneous	15,465	0	14,936	0
Total Revenues	49,891	0	126,671	28,954
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	4,167	0	0	0
Special	0	0	0	0
Support Services:				
Pupils	13,123	0	0	0
Instructional Staff	247	0	0	0
Administration	26,476	0	0	0
Pupil Transportation	4,472	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	12,037
Extracurricular Activities	0	0	113,071	0
Total Expenditures	48,485	0	113,071	12,037
Excess of Revenues Over (Under) Expenditures	1,406	0	13,600	16,917
<u>Other Financing Sources (Uses):</u>				
Operating Transfers - In	0	0	0	0
Operating Transfers - Out	(374)	0	0	0
Total Other Financing Sources (Uses)	(374)	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,032	0	13,600	16,917
Fund Balances (Deficit) at Beginning of Year	28,375	11,000	36,842	2,009
Increase in Reserve for Inventory	654	0	0	0
Fund Balances (Deficit) at End of Year	\$30,061	\$11,000	\$50,442	\$18,926

Teacher Development	Pupil Competency	Education Management Information Systems	Preschool	Disadvantaged Pupil Impact Aid	Textbook Subsidy
\$9,024	\$14,000	\$5,876	\$110,175	\$497,775	\$28,925
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
9,024	14,000	5,876	110,175	497,775	28,925
1,181	2,085	0	87,682	323,210	0
0	0	0	0	0	0
0	0	0	0	1,816	0
6,861	0	0	1,093	105,730	0
0	0	0	0	55,800	0
0	0	0	0	0	0
0	0	4,186	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,042	2,085	4,186	88,775	486,556	0
982	11,915	1,690	21,400	11,219	28,925
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
982	11,915	1,690	21,400	11,219	28,925
0	0	0	(22,209)	(61,663)	0
0	0	0	0	0	0
\$982	\$11,915	\$1,690	(\$809)	(\$50,444)	\$28,925

continued

Waverly City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999
(Continued)

	Eisenhower Grant	Title VI-B	Title I	Title VI
<u>Revenues:</u>				
Intergovernmental	\$13,337	\$46,398	\$492,499	\$7,483
Rent	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	13,337	46,398	492,499	7,483
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,497	0	0	7,085
Special	0	1,283	119,217	0
Support Services:				
Pupils	0	0	8,074	0
Instructional Staff	1,540	65,922	248,395	0
Administration	0	0	14,803	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	7,037	67,205	390,489	7,085
Excess of Revenues Over (Under) Expenditures	6,300	(20,807)	102,010	398
<u>Other Financing Sources (Uses):</u>				
Operating Transfers - In	0	9,996	0	0
Operating Transfers - Out	0	0	0	0
Total Other Financing Sources (Uses)	0	9,996	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,300	(10,811)	102,010	398
Fund Balances (Deficit) at Beginning of Year	5,610	(431)	(16,772)	0
Increase in Reserve for Inventory	0	0	0	0
Fund Balances (Deficit) at End of Year	\$11,910	(\$11,242)	\$85,238	\$398

Drug Free Schools	School To Work	Total Special Revenue Funds
\$3,268	\$17,000	\$1,274,714
0	0	1,070
0	0	132,451
0	0	12,640
0	0	30,401
<u>3,268</u>	<u>17,000</u>	<u>1,451,276</u>
1,677	4,105	436,689
0	0	120,500
1,297	1,400	25,710
0	0	429,788
0	0	97,079
0	1,869	6,341
0	0	4,186
0	0	12,037
0	0	113,071
<u>2,974</u>	<u>7,374</u>	<u>1,245,401</u>
<u>294</u>	<u>9,626</u>	<u>205,875</u>
0	0	9,996
0	0	(374)
<u>0</u>	<u>0</u>	<u>9,622</u>
294	9,626	215,497
868	(60)	(16,431)
0	0	654
<u>\$1,162</u>	<u>\$9,566</u>	<u>\$199,720</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Rent	\$1,070	\$1,070	\$0
Extracurricular Activities	28,421	28,421	0
Gifts and Donations	4,935	4,935	0
Miscellaneous	15,465	15,465	0
<i>Total Revenues</i>	<u>49,891</u>	<u>49,891</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	425	405	20
Materials and Supplies	4,525	3,945	580
Total Instruction	<u>4,950</u>	<u>4,350</u>	<u>600</u>
Support Services:			
Pupils:			
Purchased Services	3,217	3,217	0
Materials and Supplies	6,891	6,888	3
Capital Outlay - New	4,053	3,017	1,036
Total Pupils	<u>14,161</u>	<u>13,122</u>	<u>1,039</u>
Instructional Staff:			
Purchased Services	200	200	0
Materials and Supplies	111	47	64
Total Instructional Staff	<u>\$311</u>	<u>\$247</u>	<u>\$64</u>

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 1999
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Materials and Supplies	\$18,091	\$17,294	\$797
Other	9,182	8,868	314
Total Administration	27,273	26,162	1,111
Pupil Transportation:			
Purchased Services	4,824	4,472	352
Total Support Services	46,569	44,003	2,566
<i>Total Expenditures</i>	51,519	48,353	3,166
Excess of Revenues Over (Under) Expenditures	(1,628)	1,538	3,166
<u>Other Financing Uses:</u>			
Operating Transfers Out	(380)	(374)	6
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(2,008)	1,164	3,172
Fund Balance at Beginning of Year	21,869	21,869	0
Prior Year Encumbrances	2,223	2,223	0
Fund Balance at End of Year	\$22,084	\$25,256	\$3,172

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Underground Storage Tank Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>11,000</u>	<u>11,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Athletics Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular Activities	\$104,030	\$104,030	\$0
Gifts and Donations	7,705	7,705	0
Miscellaneous	14,936	14,936	0
Total Revenues	126,671	126,671	0
<u>Expenditures:</u>			
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	5,724	5,404	320
Materials and Supplies	14,332	13,736	596
Other	2,187	1,791	396
Total Academic Oriented Activities	22,243	20,931	1,312
Sports Oriented Activities:			
Purchased Services	49,614	49,478	136
Materials and Supplies	45,325	45,253	72
Capital Outlay - New	6,436	6,012	424
Capital Outlay - Replacement	404	404	0
Other	5,785	5,785	0
Total Sports Oriented Activities	107,564	106,932	632
Total Expenditures	129,807	127,863	1,944
Excess of Revenues Over (Under) Expenditures	(3,136)	(1,192)	1,944
Fund Balance at Beginning of Year	35,054	35,054	0
Prior Year Encumbrances	2,410	2,410	0
Fund Balance at End of Year	\$34,328	\$36,272	\$1,944

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Auxiliary Services Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$28,954	\$28,954	\$0
<u>Expenditures:</u>			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	7,598	7,598	0
Fringe Benefits	1,347	1,347	0
Purchased Services	731	731	0
Materials and Supplies	11,428	11,428	0
Capital Outlay - New	9,878	9,878	0
Total Expenditures	30,982	30,982	0
Excess of Revenues Under Expenditures	(2,028)	(2,028)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	2,028	2,028	0
Fund Balance at End of Year	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Budget Basis)
 Teacher Development Special Revenue Fund
 For the Fiscal Year Ended June 30, 1999*

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$9,024	\$9,024	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	1,178	1,178	0
Support Services:			
Instructional Staff:			
Purchased Services	6,284	6,284	0
Materials and Supplies	1,724	1,724	0
Total Support Services	8,008	8,008	0
<i>Total Expenditures</i>	9,186	9,186	0
Excess of Revenues Under Expenditures	(162)	(162)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	162	162	0
Fund Balance at End of Year	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Pupil Competency Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$14,000	\$14,000	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	14,000	14,000	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Education Management Information Systems Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$5,876	\$5,876	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Materials and Supplies	7	7	0
Capital Outlay - New	5,869	5,869	0
<i>Total Expenditures</i>	<u>5,876</u>	<u>5,876</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Preschool Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$110,175	\$110,175	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	73,994	73,994	0
Fringe Benefits	16,201	16,201	0
Materials and Supplies	462	462	0
Capital Outlay - New	9,868	9,868	0
Total Instruction	100,525	100,525	0
Support Services:			
Instructional Staff:			
Salaries and Wages	1,220	1,220	0
<i>Total Expenditures</i>	101,745	101,745	0
Excess of Revenues Over Expenditures	8,430	8,430	0
Fund Balance at Beginning of Year	5,862	5,862	0
Fund Balance at End of Year	\$14,292	\$14,292	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$497,775	\$497,775	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	258,526	258,526	0
Fringe Benefits	64,214	64,214	0
Total Instruction	322,740	322,740	0
Support Services:			
Pupils:			
Salaries and Wages	5,181	5,181	0
Fringe Benefits	1,801	1,801	0
Purchased Services	2,000	2,000	0
Total Pupils	8,982	8,982	0
Instructional Staff:			
Salaries and Wages	66,658	66,658	0
Fringe Benefits	23,980	23,980	0
Total Instructional Staff	90,638	90,638	0
Administration:			
Salaries and Wages	63,972	48,388	15,584
Fringe Benefits	11,443	11,443	0
Total Administration	\$75,415	\$59,831	\$15,584

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 1999
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Support Services	\$175,035	\$159,451	\$15,584
<i>Total Expenditures</i>	<u>497,775</u>	<u>482,191</u>	<u>15,584</u>
Excess of Revenues Over Expenditures	0	15,584	15,584
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$15,584</u></u>	<u><u>\$15,584</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Textbook Subsidy Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$28,925	\$28,925	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular Instruction:			
Materials and Supplies	28,925	28,925	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$46,398	\$46,398	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special Instruction:			
Purchased Services	1,283	1,283	0
Support Services:			
Instructional Staff:			
Salaries and Wages	57,536	57,536	0
Fringe Benefits	11,262	11,262	0
Total Support Services	68,798	68,798	0
<i>Total Expenditures</i>	70,081	70,081	0
Excess of Revenues Under Expenditures	(23,683)	(23,683)	0
<u>Other Financing Sources:</u>			
Advances In	9,996	9,996	0
Operating Transfers In	10,000	10,000	0
<i>Total Other Financing Sources</i>	19,996	19,996	0
Excess of Revenues and Other Financing Sources Under Expenditures	(3,687)	(3,687)	0
Fund Balance at Beginning of Year	3,045	3,045	0
Prior Year Encumbrances	642	642	0
Fund Balance at End of Year	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$334,446	\$334,446	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special Instruction:			
Salaries and Wages	110,431	110,431	0
Fringe Benefits	26,121	26,121	0
Purchased Services	1,822	1,822	0
Materials and Supplies	12,968	12,968	0
Capital Outlay - Replacement	19,935	19,935	0
Total Instruction	171,277	171,277	0
Support Services:			
Pupils:			
Salaries and Wages	4,993	4,993	0
Fringe Benefits	1,741	1,741	0
Total Pupils	6,734	6,734	0
Instructional Staff:			
Salaries and Wages	169,132	169,132	0
Fringe Benefits	53,324	53,324	0
Total Instructional Staff	\$222,456	\$222,456	\$0

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 1999
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$19,468	\$19,468	\$0
Fringe Benefits	4,335	4,335	0
Purchased Services	462	462	0
Total Administration	24,265	24,265	0
Total Support Services	253,455	253,455	0
Total Expenditures	424,732	424,732	0
Excess of Revenues Under Expenditures	(90,286)	(90,286)	0
<u>Other Financing Sources (Uses):</u>			
Advances In	49,239	49,239	0
Operating Transfers In	50,000	50,000	0
Operating Transfers Out	(49,239)	(49,239)	0
Total Other Financing Sources (Uses)	50,000	50,000	0
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(40,286)	(40,286)	0
Fund Balance at Beginning of Year	42,424	42,424	0
Fund Balance at End of Year	\$2,138	\$2,138	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Title VI Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$7,483</u>	<u>\$7,483</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular Instruction:			
Materials and Supplies	2,182	2,182	0
Capital Outlay - New	3,608	3,608	0
Capital Outlay - Replacement	<u>1,296</u>	<u>1,296</u>	<u>0</u>
Total Instruction	<u>7,086</u>	<u>7,086</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	<u>66</u>	<u>66</u>	<u>0</u>
<i>Total Expenditures</i>	<u>7,152</u>	<u>7,152</u>	<u>0</u>
Excess of Revenues Over Expenditures	331	331	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>67</u>	<u>67</u>	<u>0</u>
Fund Balance at End of Year	<u>\$398</u>	<u>\$398</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$3,268</u>	<u>\$3,268</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	1,087	1,087	0
Purchased Services	314	314	0
Materials and Supplies	<u>296</u>	<u>296</u>	<u>0</u>
Total Instruction	<u>1,697</u>	<u>1,697</u>	<u>0</u>
Support Services:			
Pupils:			
Purchased Services	1,000	1,000	0
Materials and Supplies	<u>297</u>	<u>297</u>	<u>0</u>
Total Support Services	<u>1,297</u>	<u>1,297</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	<u>286</u>	<u>286</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,280</u>	<u>3,280</u>	<u>0</u>
Excess of Revenues Under Expenditures	(12)	(12)	0
Fund Balance at Beginning of Year	773	773	0
Prior Year Encumbrances	<u>401</u>	<u>401</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,162</u>	<u>\$1,162</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
School To Work Special Revenue Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$17,000	\$17,000	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	4,142	4,142	0
Purchased Services	3,000	0	3,000
Total Instruction	7,142	4,142	3,000
Support Services:			
Pupils:			
Purchased Services	600	89	511
Materials and Supplies	2,400	1,311	1,089
Total Pupils	3,000	1,400	1,600
Pupil Transportation:			
Salaries and Wages	1,858	1,858	0
Total Support Services	4,858	3,258	1,600
Total Expenditures	12,000	7,400	4,600
Excess of Revenues Over Expenditures	5,000	9,600	4,600
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$5,000</u>	<u>\$9,600</u>	<u>\$4,600</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$1,116,661	\$1,116,661	\$0
Rent	1,070	1,070	0
Extracurricular Activities	132,451	132,451	0
Gifts and Donations	12,640	12,640	0
Miscellaneous	30,401	30,401	0
Total Revenues	1,293,223	1,293,223	0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	340,292	338,927	1,365
Fringe Benefits	80,626	80,416	210
Purchased Services	3,739	719	3,020
Materials and Supplies	57,949	55,980	1,969
Capital Outlay - New	20,145	14,964	5,181
Capital Outlay - Replacement	1,296	1,296	0
Total Regular	504,047	492,302	11,745
Special:			
Salaries and Wages	110,431	110,431	0
Fringe Benefits	26,121	26,121	0
Purchased Services	3,105	3,105	0
Materials and Supplies	12,968	12,968	0
Capital Outlay - Replacement	19,935	19,935	0
Total Special	172,560	172,560	0
Total Instruction	\$676,607	\$664,862	\$11,745

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$10,174	\$10,174	\$0
Fringe Benefits	3,541	3,541	0
Purchased Services	6,817	6,306	511
Materials and Supplies	9,588	8,496	1,092
Capital Outlay - New	4,053	3,017	1,036
Total Pupils	<u>34,173</u>	<u>31,534</u>	<u>2,639</u>
Instructional Staff:			
Salaries and Wages	294,547	294,547	0
Fringe Benefits	88,566	88,566	0
Purchased Services	8,984	8,124	860
Materials and Supplies	1,835	1,771	64
Total Instructional Staff	<u>393,932</u>	<u>393,008</u>	<u>924</u>
Administration:			
Salaries and Wages	83,440	67,856	15,584
Fringe Benefits	15,778	15,778	0
Purchased Services	462	462	0
Materials and Supplies	18,091	17,294	797
Other	9,182	8,868	314
Total Administration	<u>126,953</u>	<u>110,258</u>	<u>16,695</u>
Pupil Transportation:			
Salaries and Wages	1,858	1,858	0
Purchased Services	4,824	4,472	352
Total Pupil Transportation	<u>\$6,682</u>	<u>\$6,330</u>	<u>\$352</u>

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Materials and Supplies	\$7	\$7	\$0
Capital Outlay - New	5,869	5,869	0
Total Central	5,876	5,876	0
Total Support Services	567,616	547,006	20,610
Operation of Non-Instructional Services			
Salaries and Wages	7,597	7,597	0
Fringe Benefits	1,347	1,347	0
Purchased Services	731	731	0
Materials and Supplies	12,426	11,781	645
Capital Outlay - New	9,878	9,878	0
Total Operation of Non-Instructional Services	31,979	31,334	645
Extracurricular Activities			
Purchased Services	55,338	54,882	456
Materials and Supplies	59,657	58,989	668
Capital Outlay - New	404	404	0
Capital Outlay - Replacement	5,785	5,785	0
Other	8,623	7,803	820
Total Extracurricular Activities	129,807	127,863	1,944
Total Expenditures	1,406,009	1,371,065	34,944
Excess of Revenues Over (Under) Expenditures	(\$112,786)	(\$77,842)	\$34,944

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Other Financing Sources (Uses):</i>			
Advances In	\$60,000	\$60,000	\$0
Operating Transfers In	59,235	59,235	0
Operating Transfers Out	(49,619)	(49,613)	6
<i>Total Other Financing Sources (Uses)</i>	<u>69,616</u>	<u>69,622</u>	<u>6</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(43,170)	(8,220)	34,950
Fund Balance at Beginning of Year	123,806	123,806	0
Prior Year Encumbrances	<u>9,766</u>	<u>9,766</u>	<u>0</u>
Fund Balance at End of Year	<u>\$90,402</u>	<u>\$125,352</u>	<u>\$34,950</u>

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 District is obligated for the payment.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

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.

Permanent Improvement

To account for all transactions relating to the acquiring, constructing, or improving of such permanent improvements as authorized by Chapter 5705, Revised Code.

SchoolNet

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

Technology Equity

To account for technology equity funding to low-wealth school districts.

Emergency Building Repair

To account for grant monies received from the State of Ohio for emergency repairs. This money was used for new roofs and boilers.

*Waverly City School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 1999*

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Technology Equity</u>	<u>Total Capital Projects Funds</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$538,758	\$51,543	\$12,137	\$602,438
<u>Liabilities:</u>				
Accounts Payable	\$0	\$3,278	\$0	\$3,278
Intergovernmental Payable	0	40	0	40
<i>Total Liabilities</i>	<u>0</u>	<u>3,318</u>	<u>0</u>	<u>3,318</u>
<u>Fund Equity:</u>				
Fund Balances:				
Reserved:				
Reserved for Encumbrances	524,607	0	0	524,607
Unreserved:				
Undesignated	14,151	48,225	12,137	74,513
<i>Total Fund Equity</i>	<u>538,758</u>	<u>48,225</u>	<u>12,137</u>	<u>599,120</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$538,758</u>	<u>\$51,543</u>	<u>\$12,137</u>	<u>\$602,438</u>

Waverly City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999

	Permanent Improvement	SchoolNet	Technology Equity	Emergency Building Repair	Total Capital Projects Funds
<u>Revenues:</u>					
Intergovernmental	\$0	\$183,432	\$10,583	\$162,384	\$356,399
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	0	111,949	10,583	0	122,532
Support services:					
Instructional Staff	0	23,258	0	0	23,258
Pupil Transportation	0	0	129	0	129
Capital Outlay	255,242	0	0	456,611	711,853
Total Expenditures	255,242	135,207	10,712	456,611	857,772
Excess of Revenues Over (Under) Expenditures	(255,242)	48,225	(129)	(294,227)	(501,373)
<u>Other Financing Sources</u>					
Proceeds from Loans	794,000	0	0	0	794,000
Operating Transfers In	0	0	0	21,627	21,627
Total Other Financing Sources	794,000	0	0	21,627	815,627
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	538,758	48,225	(129)	(272,600)	314,254
Fund Balance at Beginning of Year	0	0	12,266	272,600	284,866
Fund Balance at End of Year	\$538,758	\$48,225	\$12,137	\$0	\$599,120

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay:			
Building Improvement Services:			
Capital Outlay - New	793,978	779,849	14,129
Excess of Revenues Over (Under) Expenditures	(793,978)	(779,849)	14,129
<u>Other Financing Sources:</u>			
Proceeds from Loans	794,000	794,000	0
Excess of Revenues and Other Financing Sources Over Expenditures	22	14,151	14,129
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$22	\$14,151	\$14,129

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$183,432	\$183,432	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular Instruction:			
Purchased Services	3,277	3,277	0
Materials and Supplies	3,799	3,799	0
Capital Outlay - New	104,872	104,872	0
Total Instruction	111,948	111,948	0
Support Services:			
Instructional Staff:			
Salaries and Wages	14,342	14,342	0
Purchased Services	10,000	8,876	1,124
Total Support Services	24,342	23,218	1,124
<i>Total Expenditures</i>	136,290	135,166	1,124
Excess of Revenues Over Expenditures	47,142	48,266	1,124
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$47,142	\$48,266	\$1,124

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Technology Equity Capital Projects Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$10,583	\$10,583	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	703	0	703
Fringe Benefits	55	0	55
Purchased Services	44	0	44
Capital Outlay - New	21,166	10,583	10,583
Total Instruction	21,968	10,583	11,385
Support Services:			
Pupils:			
Materials and Supplies	8	0	8
Instructional Staff:			
Purchased Services	139	0	139
Pupil Transportation:			
Salaries and Wages	632	129	503
Fringe Benefits	102	0	102
Total Pupil Transportation	734	129	605
Total Support Services	881	129	752
Total Expenditures	22,849	10,712	12,137
Excess of Revenues Over (Under) Expenditures	(12,266)	(129)	12,137
Fund Balance at Beginning of Year	12,266	12,266	0
Fund Balance at End of Year	\$0	\$12,137	\$12,137

WAVERLY CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget and Actual (Budget Basis)
 Emergency Building Repair Capital Projects Fund
 For the Fiscal Year Ended June 30, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	\$162,384	\$162,384	\$0
<u>Expenditures:</u>			
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	12,171	12,171	0
Building Improvement Services:			
Purchased Services	444,440	444,440	0
<i>Total Expenditures</i>	<u>456,611</u>	<u>456,611</u>	<u>0</u>
Excess of Revenues Under Expenditures	(294,227)	(294,227)	0
<u>Other Financing Sources:</u>			
Operating Transfers In	21,627	21,627	0
Excess of Revenues and Other Financing Sources Under Expenditures	(272,600)	(272,600)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	272,600	272,600	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$356,399	\$356,399	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	703	0	703
Fringe Benefits	55	0	55
Purchased Services	3,321	3,277	44
Materials and Supplies	3,799	3,799	0
Capital Outlay - New	126,038	115,455	10,583
Total Instruction	133,916	122,531	11,385
Support Services:			
Pupils:			
Materials and Supplies	8	0	8
Instructional Staff:			
Salaries and Wages	14,342	14,342	0
Purchased Services	10,139	8,876	1,263
Total Instructional Staff	24,481	23,218	1,263
Pupil Transportation:			
Salaries and Wages	632	129	503
Fringe Benefits	102	0	102
Total Pupil Transportation	734	129	605
Total Support Services	\$25,223	\$23,347	\$1,876

(Continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Capital Outlay:			
Building Improvement Services:			
Purchased Services	\$444,440	\$444,440	\$0
Capital Outlay - New	793,978	779,849	14,129
Total Building Improvement Services	<u>1,238,418</u>	<u>1,224,289</u>	<u>14,129</u>
Architecture and Engineering Services:			
Purchased Services	12,171	12,171	0
Total Capital Outlay	<u>1,250,589</u>	<u>1,236,460</u>	<u>14,129</u>
<i>Total Expenditures</i>	<u>1,409,728</u>	<u>1,382,338</u>	<u>27,390</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,053,329)</u>	<u>(1,025,939)</u>	<u>27,390</u>
<i>Other Financing Sources:</i>			
Proceeds from Loans	794,000	794,000	0
Operating Transfers In	21,627	21,627	0
<i>Total Other Financing Sources</i>	<u>815,627</u>	<u>815,627</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(237,702)	(210,312)	27,390
Fund Balance at Beginning of Year	12,266	12,266	0
Prior Year Encumbrances	<u>272,600</u>	<u>272,600</u>	<u>0</u>
Fund Balance at End of Year	<u>\$47,164</u>	<u>\$74,554</u>	<u>\$27,390</u>

ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. The following describes the School District's Enterprise 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.

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.

*Waverly City School District
Combining Balance Sheet
All Enterprise Funds Funds
June 30, 1999*

	Food Services	Uniform School Supplies	Latchkey	Total Enterprise Funds
<u>Assets:</u>				
<u>Current Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$23,554	\$11,714	\$0	\$35,268
Receivables:				
Accounts	0	226	0	226
Inventory Held for Resale	11,573	0	0	11,573
Materials and Supplies Inventory	751	0	0	751
Total Current Assets	35,878	11,940	0	47,818
<u>Fixed Assets:</u>				
Fixed Assets (Net of Accumulated Depreciation)	10,593	0	0	10,593
Total Assets	\$46,471	\$11,940	\$0	\$58,411
<u>Liabilities:</u>				
Accounts Payable	\$0	\$5,279	\$0	\$5,279
Accrued Wages and Benefits	29,394	0	0	29,394
Compensated Absences Payable	6,544	0	0	6,544
Intergovernmental Payable	28,436	0	60	28,496
Deferred Revenue	10,797	0	0	10,797
Total Liabilities	75,171	5,279	60	80,510
<u>Fund Equity:</u>				
Retained Earnings:				
Unreserved (Deficit)	(28,700)	6,661	(60)	(22,099)
Total Liabilities and Fund Equity	\$46,471	\$11,940	\$0	\$58,411

Waverly City School District
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Enterprise Fund
For the Fiscal Year Ended June 30, 1999

	Food Services	Uniform School Supplies	Latchkey	Total Enterprise Funds
<u>Operating Revenues:</u>				
Tuition	\$0	\$226	\$14,636	\$14,862
Sales	184,917	10,272	0	195,189
Total Operating Revenues	184,917	10,498	14,636	210,051
<u>Operating Expenses:</u>				
Salaries	184,644	0	19,534	204,178
Fringe Benefits	89,648	0	2,257	91,905
Purchased Services	9,664	0	0	9,664
Materials and Supplies	17,368	12,740	3,893	34,001
Cost of Sales	245,786	0	0	245,786
Depreciation	1,145	0	0	1,145
Other	692	0	0	692
Total Operating Expenses	548,947	12,740	25,684	587,371
Operating Loss	(364,030)	(2,242)	(11,048)	(377,320)
<u>Non-Operating Revenues:</u>				
Federal Donated Commodities	31,962	0	0	31,962
Federal and State Subsidies	266,628	0	0	266,628
Interest	607	0	0	607
Total Non-Operating Revenues	299,197	0	0	299,197
Loss Before Operating Transfers	(64,833)	(2,242)	(11,048)	(78,123)
Operating Transfers In	0	0	1,318	1,318
Net Loss	(64,833)	(2,242)	(9,730)	(76,805)
Retained Earnings at Beginning of Year	36,133	8,903	9,670	54,706
Retained Earnings (Deficit) at End of Year	(\$28,700)	\$6,661	(\$60)	(\$22,099)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Food Services Enterprise Fund
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$184,538	\$184,917	\$379
Interest	0	607	607
Federal and State Subsidies	266,628	266,628	0
<i>Total Revenues</i>	<u>451,166</u>	<u>452,152</u>	<u>986</u>
<u>Expenses:</u>			
Salaries	191,309	190,499	810
Fringe Benefits	93,050	85,503	7,547
Purchased Services	9,759	9,759	0
Materials and Supplies	228,518	226,102	2,416
Capital Outlay	12,500	9,275	3,225
Other	983	692	291
<i>Total Expenses</i>	<u>536,119</u>	<u>521,830</u>	<u>14,289</u>
Excess of Revenues Over (Under) Expenses	(84,953)	(69,678)	15,275
Fund Equity at Beginning of Year	92,731	92,731	0
Prior Year Encumbrances	406	406	0
Fund Equity at End of Year	<u>\$8,184</u>	<u>\$23,459</u>	<u>\$15,275</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Uniform School Supplies Enterprise Fund
For the Fiscal Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Other Revenues	\$9,800	\$10,272	\$472
<u>Expenses:</u>			
Materials and Supplies	18,276	18,276	0
Excess of Revenues Over (Under) Expenses	(8,476)	(8,004)	472
Fund Equity at Beginning of Year	0	0	0
Prior Year Encumbrances	17,860	17,860	0
Fund Equity at End of Year	<u>\$9,384</u>	<u>\$9,856</u>	<u>\$472</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Latchkey Enterprise Fund
For the Fiscal Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition	\$14,636	\$14,636	\$0
<u>Expenses:</u>			
Salaries	19,534	19,534	0
Fringe Benefits	2,265	2,265	0
Materials and Supplies	3,893	3,893	0
<i>Total Expenses</i>	<u>25,692</u>	<u>25,692</u>	<u>0</u>
Excess of Revenues Under Expenses	(11,056)	(11,056)	0
Operating Transfers In	<u>1,318</u>	<u>1,318</u>	<u>0</u>
Excess of Revenues Under Expenses and Transfers	(9,738)	(9,738)	0
Fund Equity at Beginning of Year	<u>9,738</u>	<u>9,738</u>	<u>0</u>
Fund Equity at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition	\$14,636	\$14,636	\$0
Sales	184,538	184,917	379
Interest	0	607	607
Other Revenues	9,800	10,272	472
Federal and State Subsidies	266,628	266,628	0
<i>Total Revenues</i>	<u>475,602</u>	<u>477,060</u>	<u>1,458</u>
<u>Expenses:</u>			
Salaries	210,843	210,033	810
Fringe Benefits	95,315	87,768	7,547
Purchased Services	9,759	9,759	0
Materials and Supplies	250,687	248,271	2,416
Capital Outlay	12,500	9,275	3,225
Other	983	692	291
<i>Total Expenses</i>	<u>580,087</u>	<u>565,798</u>	<u>14,289</u>
Excess of Revenues Over (Under) Expenses	(104,485)	(88,738)	15,747
Operating Transfers In	<u>1,318</u>	<u>1,318</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses and Transfers	(103,167)	(87,420)	15,747
Fund Equity at Beginning of Year	102,469	102,469	0
Prior Year Encumbrances	<u>18,266</u>	<u>18,266</u>	<u>0</u>
Fund Equity at End of Year	<u>\$17,568</u>	<u>\$33,315</u>	<u>\$15,747</u>

WAVERLY CITY SCHOOL DISTRICT

Combining Statement of Cash Flows

All Enterprise Funds

For the Fiscal Year Ended June 30, 1999

	Food Services	Uniform School Supplies	Latchkey	Total Enterprise Funds
<i>Increase (Decrease) in Cash and Cash Equivalents:</i>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$184,917	\$0	\$14,636	\$199,553
Cash Received from Other Operating Revenues	0	10,272	0	10,272
Cash Payments to Suppliers for Goods and Services	(241,757)	(16,418)	(3,893)	(262,068)
Cash Payments to Employees for Services	(190,499)	0	(19,534)	(210,033)
Cash Payments for Employee Benefits	(85,503)	0	(2,265)	(87,768)
Net Cash Used for Operating Activities	<u>(332,842)</u>	<u>(6,146)</u>	<u>(11,056)</u>	<u>(350,044)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Transfers In	0	0	1,318	1,318
Operating Grants Received	266,628	0	0	266,628
Net Cash Provided by Noncapital Financing Activities	<u>266,628</u>	<u>0</u>	<u>1,318</u>	<u>267,946</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Payments for Capital Acquisitions	(3,976)	0	0	(3,976)
<u>Cash Flows from Investing Activities:</u>				
Interest Received on Investments	607	0	0	607
Net Decrease in Cash and Cash Equivalents	(69,583)	(6,146)	(9,738)	(85,467)
Cash and Cash Equivalents at Beginning of Year	93,137	17,860	9,738	120,735
Cash and Cash Equivalents at End of Year	<u>\$23,554</u>	<u>\$11,714</u>	<u>\$0</u>	<u>\$35,268</u>
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>				
Operating Loss	(\$364,030)	(\$2,242)	(\$11,048)	(377,320)
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>				
Depreciation	1,145	0	0	1,145
Donated Commodities Used During Year	31,962	0	0	31,962
<u>Changes in Assets and Liabilities:</u>				
Increase in Accounts Receivable	0	(226)	0	(226)
Increase in Inventory Held for Resale	(146)	0	0	(146)
Increase in Materials and Supplies Inventory	(63)	0	0	(63)
Decrease in Accounts Payable	0	(3,678)	0	(3,678)
Increase in Accrued Wages and Benefits	1,143	0	0	1,143
Decrease in Compensated Absences Payable	(2,216)	0	0	(2,216)
Decrease in Intergovernmental Payable	(637)	0	(8)	(645)
Total Adjustments	<u>31,188</u>	<u>(3,904)</u>	<u>(8)</u>	<u>27,276</u>
Net Cash Used for Operating Activities	<u>(\$332,842)</u>	<u>(\$6,146)</u>	<u>(\$11,056)</u>	<u>(\$350,044)</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Student Managed Activity

To account for the resources that belong to the various student groups in the School District. The funds account for sales and other revenue generating activities by student activity programs which have students involved in the management of the program.

Deferred Compensation

To account for funds collected from employees who choose to have a portion of their earnings deferred for use at a future time under a plan agreement.

WAVERLY CITY SCHOOL DISTRICT
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 1999

	Balance at 06/30/98	Additions	Reductions	Balance at 06/30/99
<u>STUDENT MANAGED ACTIVITY</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$52,216	\$3,186	\$0	\$55,402
Receivables:				
Accounts	0	390	0	390
Total Assets	\$52,216	\$3,576	\$0	\$55,792
<u>Liabilities:</u>				
Accounts Payable	\$70	\$0	\$70	\$0
Undistributed Monies	52,146	3,646	0	55,792
Total Liabilities	\$52,216	\$3,646	\$70	\$55,792
<u>DEFERRED COMPENSATION</u>				
<u>Assets:</u>				
Funds on Deposit with Deferred Compensation Boards	\$310,521	\$0	\$310,521	\$0
<u>Liabilities:</u>				
Deferred Compensation Payable	\$310,521	\$0	\$310,521	\$0
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$52,216	\$3,186	\$0	\$55,402
Receivables:				
Accounts	0	390	0	390
Funds on Deposit with Deferred Compensation Boards	310,521	0	310,521	0
Total Assets	\$362,737	\$3,576	\$310,521	\$55,792
<u>Liabilities:</u>				
Deferred Compensation Payable	\$310,591	\$0	\$310,591	\$0
Accounts Payable	70	0	70	0
Undistributed Monies	52,146	3,646	0	55,792
Total Liabilities	\$362,807	\$3,646	\$310,661	\$55,792

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for all land and improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, and books and educational media not used in the operations of the Enterprise Fund. The majority of the School District's assets are reflected in the General Fixed Assets Account Group.

WAVERLY CITY SCHOOL DISTRICT
Schedule of General Fixed Assets by Function
 June 30, 1999

	Land and Improvements	Buildings and Improvements	Furniture, Fixtures and Equipment	Vehicles	Books and Educational Media	Total
Instruction:						
Regular	\$1,471,374	\$4,535,881	\$1,769,662	\$812,608	\$707,726	\$9,297,251
Special	0	66,887	140,995	0	0	207,882
Vocational	0	0	1,267	0	0	1,267
Total Instruction	<u>1,471,374</u>	<u>4,602,768</u>	<u>1,911,924</u>	<u>812,608</u>	<u>707,726</u>	<u>9,506,400</u>
Support Services:						
Pupils	0	0	34,212	0	0	34,212
Instructional Staff	0	0	32,786	0	0	32,786
Administration	0	0	105,767	0	0	105,767
Fiscal	0	13,200	15,262	0	0	28,462
Operation and Maintenance of Plant	6,710	68,307	156,832	15,364	0	247,213
Pupil Transportation	0	7,500	120,427	366,561	0	494,488
Central	0	0	18,574	0	0	18,574
Total Support Services	<u>6,710</u>	<u>89,007</u>	<u>483,860</u>	<u>381,925</u>	<u>0</u>	<u>961,502</u>
Non Instructional Services	<u>0</u>	<u>0</u>	<u>352,253</u>	<u>0</u>	<u>0</u>	<u>352,253</u>
Extracurricular Activities	<u>0</u>	<u>0</u>	<u>4,030</u>	<u>0</u>	<u>0</u>	<u>4,030</u>
Capital Outlay	<u>60,403</u>	<u>349,717</u>	<u>44,141</u>	<u>0</u>	<u>0</u>	<u>454,261</u>
Total General Fixed Assets	<u>\$1,538,487</u>	<u>\$5,041,492</u>	<u>\$2,796,208</u>	<u>\$1,194,533</u>	<u>\$707,726</u>	<u>\$11,278,446</u>
Less: Accumulated Depreciation						<u>(7,027,885)</u>
Net Fixed Assets						<u>\$4,250,561</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Changes in General Fixed Assets by Function
For the Fiscal Year Ended June 30, 1999

Function	Balance at June 30, 1998	Additions	Deletions	Balance at June 30, 1999
Instruction:				
Regular	\$9,197,228	\$161,870	\$61,847	\$9,297,251
Special	189,290	19,935	1,343	207,882
Vocational	1,267	0	0	1,267
Total Instruction	<u>9,387,785</u>	<u>181,805</u>	<u>63,190</u>	<u>9,506,400</u>
Support Services:				
Pupils	21,947	14,849	2,584	34,212
Instructional Staff	24,471	9,123	808	32,786
Administration	101,104	6,613	1,950	105,767
Fiscal	25,541	2,921	0	28,462
Operation and Maintenance of Plant	126,590	120,623	0	247,213
Pupil Transportation	436,177	58,311	0	494,488
Central	18,574	0	0	18,574
Total Support Services	<u>754,404</u>	<u>212,440</u>	<u>5,342</u>	<u>961,502</u>
Non-Instructional Services	<u>346,444</u>	<u>5,809</u>	<u>0</u>	<u>352,253</u>
Extracurricular Services	<u>2,960</u>	<u>1,070</u>	<u>0</u>	<u>4,030</u>
Capital Outlay	<u>395,620</u>	<u>58,641</u>	<u>0</u>	<u>454,261</u>
Total General Fixed Assets	<u>\$10,887,213</u>	<u>\$459,765</u>	<u>\$68,532</u>	<u>\$11,278,446</u>
Less: Accumulated Depreciation				<u>(7,027,885)</u>
Net Fixed Assets				<u>\$4,250,561</u>

WAVERLY CITY SCHOOL DISTRICT

Schedule of General Fixed Assets By Source

June 30, 1999

General Fixed Assets:

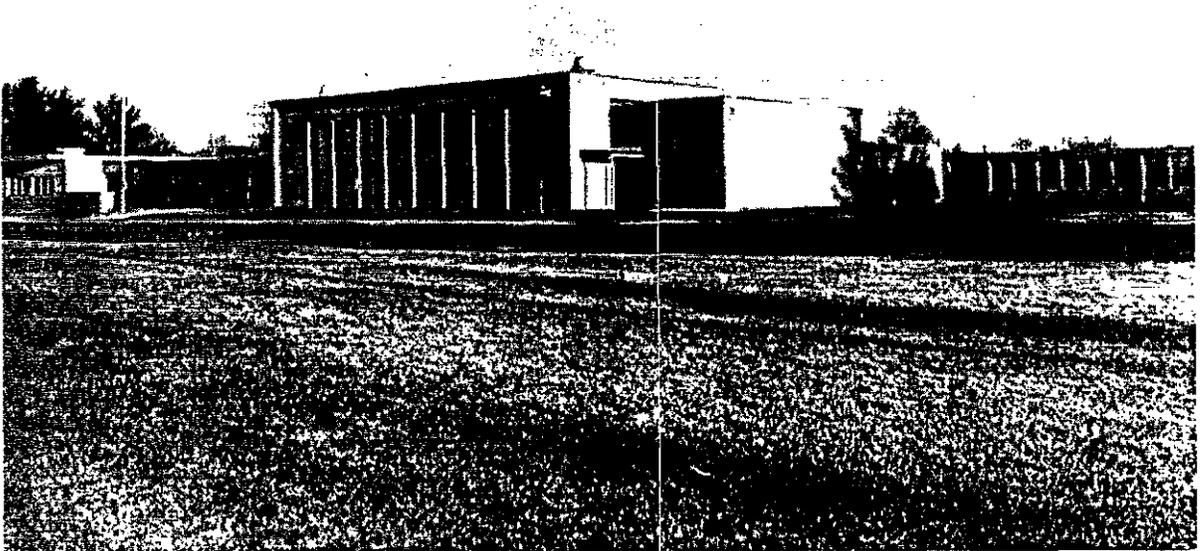
Land and Improvements	\$1,538,487
Buildings and Improvements	5,041,492
Furniture, Fixtures and Equipment	2,796,208
Vehicles	1,194,533
Books and Educational Media	707,726
Total General Fixed Assets	<u>\$11,278,446</u>
Less: Accumulated Depreciation	<u>(7,027,885)</u>
Net Fixed Assets	<u>\$4,250,561</u>

Investment in General Fixed Assets by Source:

General Fund	\$1,410,108
Special Revenue Funds	373,583
Capital Projects Funds	769,795
Donations	35,074
Acquired Before July 1, 1992*	<u>8,689,886</u>
Total Investment in General Fixed Assets	\$11,278,446
Less: Accumulated Depreciation	<u>(7,027,885)</u>
Net Fixed Assets	<u>\$4,250,561</u>

*Represents older assets for which fund source cannot practically be obtained.

STATISTICAL SECTION



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

Waverly North Junior High School currently houses 471 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 Fund Expenditures by Function
Last Ten Fiscal Years

Fiscal Year (1)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Current:										
Instruction:										
Regular	\$2,832,906	\$2,979,309	\$2,989,979	\$3,367,673	\$3,447,515	\$3,587,328	\$3,631,119	\$3,673,091	\$4,096,171	\$4,307,605
Special	568,845	628,784	589,130	641,026	633,169	717,859	726,294	755,342	740,096	782,264
Vocational	82,930	89,346	90,977	97,548	100,957	111,478	110,030	112,470	121,060	123,038
Other	598	2,054	1,497	4,415	5,016	1,233	22,640	3,927	12,926	119,062
Support Services:										
Pupils	234,328	253,531	222,557	224,983	251,996	244,965	295,788	369,348	366,020	513,309
Instructional Staff	221,823	225,446	189,671	204,496	206,783	204,303	236,195	247,364	250,862	273,290
Board of Education	15,444	10,889	18,765	19,605	24,939	35,626	26,124	32,973	35,177	28,111
Administration	559,720	581,504	555,797	563,882	614,084	600,284	708,355	787,775	821,102	738,569
Fiscal	166,287	165,696	173,240	185,729	193,761	218,356	230,623	231,869	267,207	283,291
Operation and Maintenance										
of Plant	762,671	758,060	645,505	654,946	750,414	907,319	739,414	860,455	970,590	996,183
Pupil Transportation	488,579	456,534	486,434	456,842	466,978	572,171	558,305	680,314	658,710	633,950
Central	1,390	1,249	1,405	0	0	11,795	1,584	1,390	2,005	15,714
Operation of Non-Instructional										
Services	339	6,768	5,950	18,529	3,179	3,624	2,106	1,811	3,509	3,034
Extracurricular Activities	110,954	116,733	110,328	113,537	120,584	134,208	141,014	143,468	154,136	163,066
Capital Outlay	0	125,798	63,415	57,420	30,591	6,040	0	71,697	0	126,840
Totals	\$6,046,814	\$6,401,701	\$6,144,650	\$6,610,631	\$6,849,966	\$7,356,589	\$7,429,591	\$7,973,294	\$8,498,571	\$9,107,326

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 2

WAVERLY CITY SCHOOL DISTRICT
General Fund Revenues by Source
Last Ten Fiscal Years

Fiscal Year (1)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Property Taxes	\$1,558,651	\$1,620,122	\$1,874,670	\$2,235,401	\$2,415,469	\$2,294,878	\$2,876,153	\$2,350,285	\$2,177,489	\$2,635,177
Intergovernmental	4,158,056	4,459,478	4,449,916	4,911,449	5,023,593	5,182,039	5,613,710	5,751,040	5,989,557	6,319,332
Interest	120,094	90,344	67,092	71,826	91,927	170,234	214,944	227,483	319,303	322,757
Tuition and Fees	8,807	15,907	45,222	38,308	30,089	32,502	22,314	20,705	31,981	32,434
Rent	0	0	0	0	0	4,095	2,400	3,177	6,888	5,478
Gifts and Donations	0	0	0	0	0	160	115	200	48,661	42,500
Customer Services	0	0	0	0	0	0	95,110	113,531	0	13,553
Miscellaneous	92,099	43,463	70,979	43,670	109,655	95,097	10,962	4,700	62,701	93,264
Totals	\$5,937,707	\$6,229,314	\$6,507,879	\$7,300,654	\$7,670,733	\$7,779,005	\$8,835,708	\$8,471,121	\$8,636,580	\$9,464,495

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 3

WAVERLY CITY SCHOOL DISTRICT

Property Tax Levies and Collections - Real and Public Utility Property
Last Six 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%

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. Information was not available for 1990-1992 or 1999.

(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 4

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 Personal		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1990	\$59,293,700	\$169,410,571	\$12,243,199	\$48,972,796	\$10,185,700	\$11,574,659	\$81,722,599	\$229,958,027	35.54%
1991	59,901,700	171,147,714	16,042,152	64,168,608	10,672,340	12,127,659	86,616,192	247,443,981	35.00%
1992	60,545,570	172,987,343	16,042,152	64,168,608	12,089,020	13,737,523	88,676,742	250,893,474	35.34%
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%

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 5

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

Collection Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Waverly City School District	\$28.10	\$33.10	\$33.00	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50
Pike County	8.20	8.20	8.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20
City of Waverly	16.80	16.80	16.80	17.80	17.80	16.30	16.30	16.30	16.30	16.30
Pike County Joint Vocational School	7.20	7.20	7.20	6.80	6.80	6.80	6.80	6.50	6.50	6.50

Source: Pike County Auditor

TABLE 6

WAVERLY CITY SCHOOL DISTRICT

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

Year	Population (1)	Total Assessed Value (2)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Net Bonded Debt Per Capita
1990	4,477	\$81,722,599	\$280,000	0.34%	\$63
1991	4,477	86,616,192	240,000	0.28%	54
1992	4,477	88,676,742	200,000	0.23%	45
1993	4,477	96,934,259	160,000	0.17%	36
1994	4,477	95,134,852	120,000	0.13%	27
1995	4,477	98,777,222	80,000	0.08%	18
1996	4,477	97,825,376	40,000	0.04%	9
1997	4,477	111,485,713	0	0.00%	0
1998	4,477	112,692,765	0	0.00%	0
1999	4,477	116,933,753	0	0.00%	0

Sources:

(1) Census data for 1990 census.

(2) Pike County Auditor, calendar year basis.

TABLE 7

WAVERLY CITY SCHOOL DISTRICT
 Computation of Legal Debt Margin
 As of June 30, 1999

Assessed Valuation of District	\$116,933,753
Overall debt limitation 9% of assessed valuation (1)	10,524,038
Gross indebtedness authorized by the School Board	794,000
Less debt outside limitation:	<u>(794,000)</u>
Debt within 9.0% limitation	<u>0</u>
Net indebtedness	<u>0</u>
Legal debt margin within 9% limitation	<u>\$10,524,038</u>
Energy Conservation debt limit - .90% of assessed valuation (1)	\$1,052,404
Net debt within .90% limitation	<u>(794,000)</u>
Energy Conservation Debt Margin	<u>\$258,404</u>
Unvoted debt limitation 0.1% of assessed valuation (1)	\$116,934
Net indebtedness	<u>0</u>
Legal debt margin within 0.1% limitation	<u>\$116,934</u>

Source: Waverly City School District records.
 (1) Ohio Bond Law sets a limit of 9% for voted debt, .90% for Energy Conservation measures and .10% for unvoted debt.

TABLE 8

WAVERLY CITY SCHOOL DISTRICT

Computation of Direct and Overlapping Debt
As of June 30, 1999

Governmental Unit	General Obligation Debt	Percent Applicable to District	Amount Applicable to District
Direct:			
Waverly City School District	\$794,000	100.00%	\$794,000
Overlapping:			
Pike County Joint Vocational School	210,000	100.00%	210,000
Pike County	0	100.00%	0
City of Waverly	300,000	100.00%	300,000
Total overlapping:	<u>510,000</u>		<u>510,000</u>
Total direct and overlapping debt:	<u>\$1,304,000</u>		<u>\$1,304,000</u>

Source: Ohio Municipal Advisory Council

TABLE 9

WAVERLY CITY SCHOOL DISTRICT

Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Expenditures (1)
Last Ten Fiscal Years

Fiscal Year (2)	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures (%)
1990	\$40,000	\$13,650	\$53,650	\$6,046,814	0.89%
1991	40,000	13,650	53,650	6,401,701	0.84
1992	40,000	11,550	51,550	6,114,650	0.84
1993	40,000	9,450	49,450	6,610,631	0.75
1994	40,000	7,350	47,350	6,849,966	0.69
1995	40,000	5,250	45,250	7,356,589	0.62
1996	40,000	3,150	43,150	7,429,591	0.58
1997	40,000	1,050	41,050	7,973,294	0.51
1998	0	0	0	8,499,571	0.00
1999	0	0	0	9,107,326	0.00

Source: Waverly City School District records.

(1) Includes expenditures of the General Fund only.

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

TABLE 10

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)
1990	24,249	4,477	2,072	9.90%	5.70%	5.60%
1991	24,249	4,477	2,016	11.40	6.40	6.80
1992	24,249	4,477	2,070	11.70	7.30	7.50
1993	24,249	4,477	2,121	13.00	6.50	6.90
1994	24,249	4,477	2,169	11.00	5.50	6.10
1995	24,249	4,477	2,115	8.80	4.80	5.60
1996	24,249	4,477	2,064	9.10	4.90	5.40
1997	24,249	4,477	2,130	9.10	4.60	4.90
1998	24,249	4,477	2,107	8.80	4.40	4.70
1999	24,249	4,477	2,093	11.70	4.36	4.42

Sources: (1) Census data for 1990 census.

(2) Waverly City School District

(3) Ohio Bureau Employment Services - based on annual averages.

TABLE 11

WAVERLY CITY SCHOOL DISTRICT
 Construction, Bank Deposits and Property Values
 Last Ten Calendar Years

Year	Value of Permits Issued	County Bank Deposits (1) (in thousands)	Property Values (2)
1990	\$1,855,090	\$84,689	\$59,293,700
1991	675,360	86,001	59,901,700
1992	1,670,590	91,860	60,545,570
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	141,597	80,312,350

Sources: (1) Federal Reserve Bank of Cleveland

(2) Pike County Auditor, calendar year basis - assessed value of real property only.

TABLE 12

WAVERLY CITY SCHOOL DISTRICT

Top Ten Principal Taxpayers
Real and Personal Property

Name of Taxpayer	Real Property		Personal Property		% of Total School District Assessed Valuation
	Total Assessed Valuation	% of Total School District Assessed Valuation	Total Assessed Valuation	% of Total School District Assessed Valuation	
National Church Residences	\$20,965,971	26.11%	\$1,313,100	5.60%	
Wal-Mart Stores, Inc.	2,860,685	3.56%	1,024,780	4.37%	
HTW Associates, Ltd.	1,912,285	2.38%	642,740	2.74%	
Wausau Homes, Inc.	1,865,828	2.32%	436,460	1.86%	
Pinehurst, Ltd.	1,498,057	1.87%	378,860	1.62%	
KMart Corporation	1,473,571	1.83%	367,700	1.57%	
Parker-Hannifer Corporation	1,219,800	1.52%	348,380	1.49%	
Clough Commons, Ltd.	1,180,828	1.47%	259,880	1.11%	
Cooperative Power, Inc.	1,091,228	1.36%	236,500	1.01%	
Ewing Robert L.	959,057	1.19%	233,260	0.99%	
Total Principal Taxpayers	35,027,310	43.61%	5,241,660	22.36%	
Total School District	\$80,312,350	100.00%	\$23,447,763	100.00%	

Source: Pike County Auditor.

TABLE 13

WAVERLY CITY SCHOOL DISTRICT

Miscellaneous Statistical Data

June 30, 1999

School	Grade Levels	Enrollment
East Primary	K-3	573
West Intermediate	3-5	396
North Junior High	6-8	465
Waverly High School	9-12	659
Total		<u>2,093</u>

Degree	Number of Teachers	Percentage of Total
Bachelor	19	16.24%
Bachelor +15	40	34.19
Masters	58	49.57
Total	<u>117</u>	<u>100.00%</u>

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	28	23.93%
6 - 10	22	18.80
11 - 15	12	10.26
16 - 20	15	12.82
21 - 25	22	18.80
26 and over	18	15.39
Total	<u>117</u>	<u>100.00%</u>

Source: Waverly City School records

TABLE 14

WAVERLY CITY SCHOOL DISTRICT

Enrollment
Last Ten Fiscal Years

Year	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
1990	112	187	155	170	172	164	147	156	161	159	156	165	168	2,072
1991	129	153	153	149	165	179	159	151	162	151	153	162	150	2,016
1992	130	169	148	159	160	170	174	157	169	176	143	148	167	2,070
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

Source: Waverly City School District records.

TABLE 15

WAVERLY CITY SCHOOL DISTRICT

Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	General Fund Expenditures	Average Daily Membership	Per Pupil Cost
1990	\$6,046,814	2,072	\$2,918
1991	6,401,701	2,016	3,175
1992	6,144,650	2,070	2,968
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

Source: Waverly City School District records.

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