



**Auditor of State
Betty Montgomery**

WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY

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**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed through the Ohio Department of Education</i>						
Nutrition Cluster:						
Food Donation	N/A	10.550	\$	\$36,467	\$	\$36,467
National School Breakfast Program	05PU 02/03	10.553	65,682		65,682	
National School Lunch Program	LLP4 02/03	10.555	228,136		228,136	
Total United States Department of Agriculture - Nutrition Cluster			293,818	36,467	293,818	36,467
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed through Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	C1S1 00/02/03	84.010	500,375		577,008	
Special Education - State Grants	6BSF 02/03	84.027	220,035		236,071	
Safe & Drug Free Schools and Communities Grant	DRS1 02/03	84.186	15,585		14,861	
Eisenhower Professional Development - State Grant	MSS1 2003	84.281	-		724	
Innovative Education Program Strategy	C2S1 02/03	84.298	10,803		8,619	
Education Technology State Grants	TJS1 2003	84.318	12,309		12,653	
Class Size Reduction	CRS1 2002	84.340	36,965		30,748	
Rural Education	RUS1 2003	84.358	35,163		40,895	
Improving Teacher Quality State Grant	TRS1 2003	84.367	100,428		99,615	
Total United States Department of Education			931,663	-	1,021,194	-
UNITED STATES DEPARTMENT OF HEALTH & HUMAN SERVICES						
<i>Passed through the State Board of MRDD</i>						
Medical Assistance Program	N/A	93.778	65,943	-	65,943	-
Total Federal Awards Receipts and Expenditures			\$1,291,424	\$36,467	\$1,380,955	\$36,467

The notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this Schedule.

**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR FISCAL THE YEAR ENDED JUNE 30, 2003**

NOTE A - BASIS OF ACCOUNTING

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

NOTE B – CHILD NUTRITION CLUSTER

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

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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 basic financial statements of the Waverly City School District, Pike County, Ohio (the School District), as of and for the year ended June 30, 2003, and have issued our report thereon dated December 23, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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 certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated December 23, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 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 the report, that we have reported to management of the School District in a separate letter dated December 23, 2003.

Waverly City School District
Pike County
Independent Accountants' Report 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.

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

Betty Montgomery
Auditor of State

December 23, 2003



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS 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 the Waverly City School District, Pike County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination 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, 2003.

Internal Control Over Compliance

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

743 E. State St. / Athens Mall Suite B / Athens, OH 45701
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

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.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the Waverly City School District, Pike County, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 23, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of 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.



Betty Montgomery
Auditor of State

December 23, 2003

**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance 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 § .510?	No
(d)(1)(vii)	Major Programs (list):	Title I Grants to Local Educational Agencies - 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. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

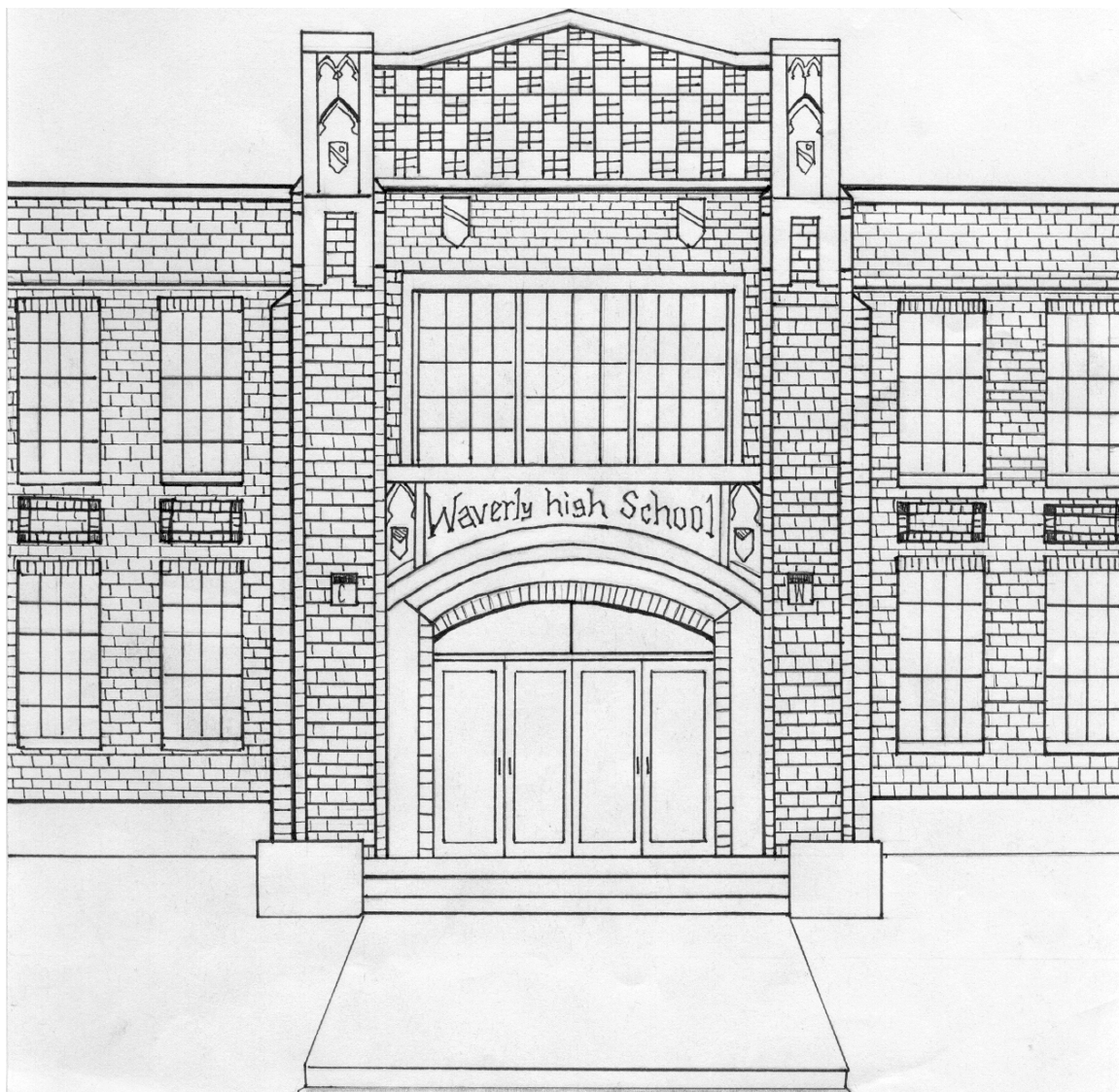
There were no findings required to be reported in accordance with GAGAS.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2003



Original Drawing by Cally Williams, WHS Class of 2004

WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

INTRODUCTORY SECTION

WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Issued by:

Treasurer's Office

Rebecca L. Peden, Treasurer

Waverly City School District
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Waverly City Schools

Board of Education

Linda Blaum Shoemaker, President

Randy Armbruster, Vice President

John Boyer

Sharon Manson

Gary Towler

500 E. Second Street

Waverly, Ohio 45690

(740) 947-4770

Fax (740) 947-4483

www.waverly.k12.oh.us

December 23, 2003

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Waverly City School District for the fiscal year ended June 30, 2003. 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 2003 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 School District. We have included all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities. This report is prepared in conformity with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The Comprehensive Annual Financial Report is divided into three sections:

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

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

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

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

REPORTING ENTITY

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

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

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

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the organization’s budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

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

ECONOMIC CONDITION AND OUTLOOK

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

The latest unemployment rate of the county was 10.7 percent. This is an increase over last year's figure, which shows that the local job market has cooled slightly.

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

THE DISTRICT AND ITS FACILITIES

The School District served 2,066 students during the 2003 fiscal year. Facilities include one high school, one junior high school, and two elementary schools which includes preschool. The enrollment per school is as follows:

<u>School</u>	<u>Grades</u>	<u>Enrollment</u>
East Elementary	PK-2	436
West Elementary	3-5	488
North Junior High	6-8	500
Waverly High School	9-12	642

MAJOR INITIATIVES

For the Year

The major initiative during the 2003 fiscal year was the continuation of the construction of new facilities for the School District. Construction is currently scheduled for completion in June 2004. The School District anticipates opening a new high school, new middle school, and two new elementary schools for the 2004-2005 school year. These new facilities will replace the four existing buildings operated by the District. At this time, work is approximately 60% complete and is on schedule.

Many scholarships and academic awards were received by students throughout the year. Proficiency scores dipped slightly due in part to revisions the Ohio Department of Education made to scoring requirements. Ohio's report cards have been revised to include requirements in the federal No Child Left Behind Act, such as the inclusion of all students with disabilities and Limited English Proficient students. Despite these additional requirements, the School District maintained its continuous improvement status on the 2002-2003 Report Card.

FINANCIAL INFORMATION

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

Internal Controls

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

Federal and State Assistance

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

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The School Treasurer has been given authority to allocate Board of Education appropriations to the function and object level within each fund. The School District has chosen to present budgetary information at the function level in the basic financial statements and at the object level in the individual fund statements.

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

Financial Condition

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the School District finances for 2003.

Cash Management

The School District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in the State Treasury Asset Reserve of Ohio (STAROhio), money market mutual funds, Federal Home Loan Bank bonds, Federal Home Loan Bank notes, Federal Home Loan Mortgage Corporation bonds, Federal Home Loan Mortgage Corporation notes, Federal National Mortgage Association bonds, and Federal National Mortgage Association notes. The amount of interest income in fiscal year 2003 for all School District funds was \$368,844, of which \$151,353 was credited to the General Fund and \$217,491 was credited to the Construction Fund. 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, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$1,000 per loss incurred. Insurance policies for general liability, employer's liability, employee benefits liability and educational legal liability are purchased through the Ohio School Plan, a public entity insurance purchasing pool. The maximum deductible amount for these coverages is \$2,500 per loss incurred.

For fiscal year 2003, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. provides administrative, cost control and actuarial services to the GRP.

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 Auditor of State's Audit Division conducted the School District's audit for fiscal year 2003. The Auditor's report on the School District's basic financial statements, combining statements, and individual fund schedules is included in the financial section of this comprehensive annual financial report.

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Waverly City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2002. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Waverly City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002.

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

ACKNOWLEDGMENTS

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

Respectfully submitted,

Rebecca L. Peden

Rebecca L. Peden
Treasurer

Cheryl Francis

Cheryl Francis
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Waverly City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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



President

Executive Director

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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

WAVERLY CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2002

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

President

Executive Director

Waverly City School District

List of Principal Officials
June 30, 2003

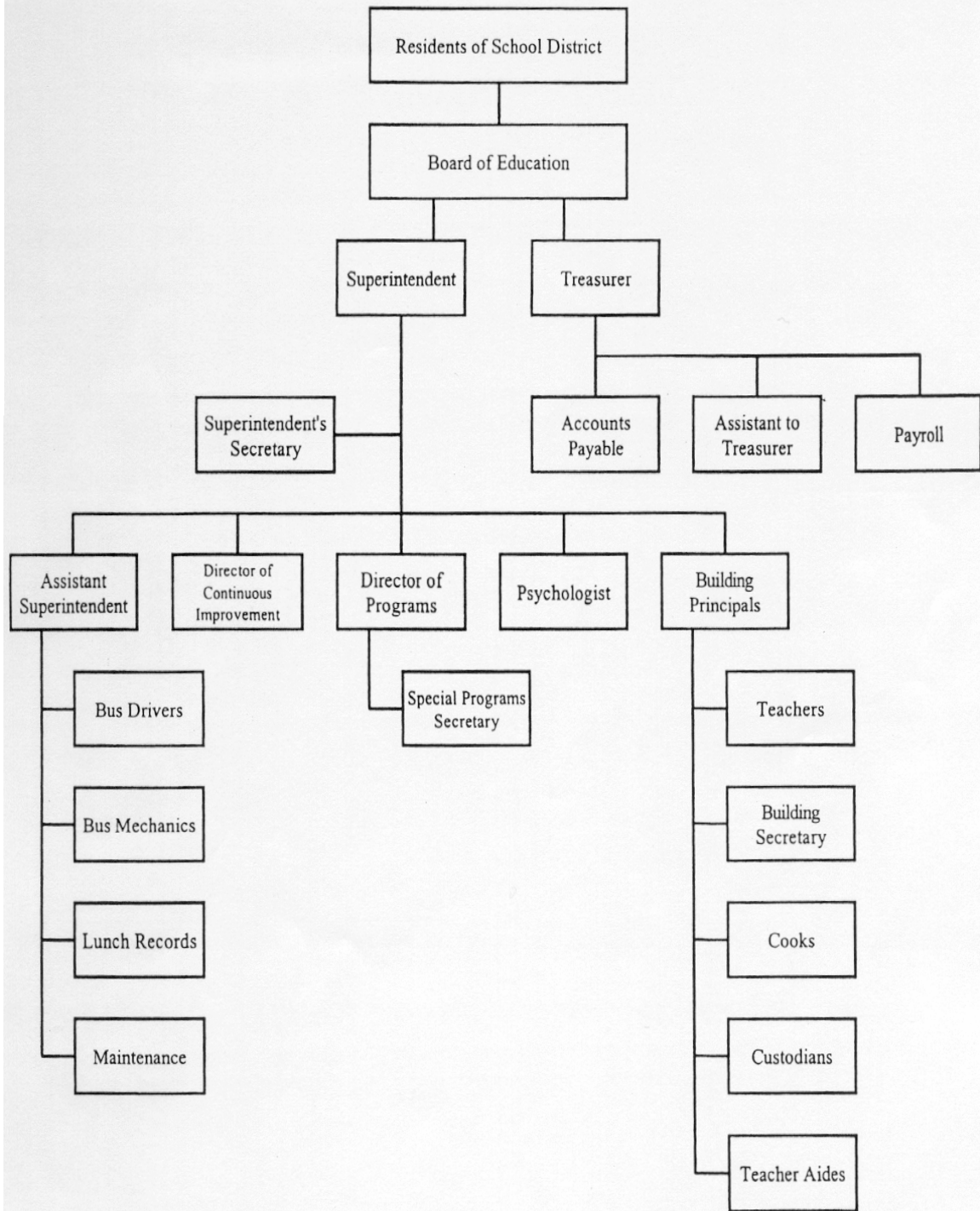
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Superintendent Cheryl Francis
Treasurer Rebecca L. Peden
Assistant Superintendent..... Roger Ramsey
Director of Programs.....Michael Roback
Director of Continuous Improvement.....Rick Teeters
Principal, Waverly High SchoolDavid Surrey
Principal, North Junior High..... Ruth Teeters
Assistant Principal, North Junior High Bill Hoover
Principal, West Elementary Andrew Seddelmeyer
Principal, East Elementary..... Ed Dickens
Assistant Principal, East Elementary William Hobbs

Waverly City School District



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FINANCIAL SECTION

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio (the School District), as of and for the year ended June 30, 2003, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio, as of June 30, 2003, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2003, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Betty Montgomery
Auditor of State

December 23, 2003

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

As management of the Waverly City School District, we offer readers of the Waverly City School District's Comprehensive Annual Financial Report this narrative, overview and analysis of the financial activities for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

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

Government-wide Financial Statements

Financial Highlights

- ‡ The assets of Waverly City School District exceeded its liabilities at June 30, 2003 by \$46,423,851.
- ‡ In total, net assets increased by \$704,627, which represents an increase of one and one-half percent from 2002.
- ‡ General revenues accounted for \$12,598,328 or 78 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,602,463 or 22 percent of total revenues of \$16,200,791.
- ‡ The School District had \$15,496,164 in expenses related to governmental activities; only \$3,602,463 of these expenses were offset by program specific charges for services, grants or contributions.
- ‡ Construction on new classroom facilities buildings began in fiscal year 2001 and continued in 2003 with expenditures of \$18,652,655.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column. The major funds for the Waverly City School District are the general fund and the construction capital projects fund.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during 2003?” The *Statement of Net Assets* and the *Statements of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2003 and 2002:

(Table 1)
Net Assets

	2003	2002
Assets		
Current and Other Assets	\$36,546,331	\$52,120,660
Capital Assets	27,948,157	9,446,946
Total Assets	64,494,488	61,567,606
Liabilities		
Long-Term Liabilities	(9,607,648)	(9,831,359)
Other Liabilities	(8,462,989)	(6,017,023)
Total Liabilities	(18,070,637)	(15,848,382)
Net Assets		
Invested in Capital Assets, Net of Related Debt	26,963,872	8,316,620
Restricted	14,246,535	32,690,996
Unrestricted	5,213,444	4,711,608
Total Net Assets	\$46,423,851	\$45,719,224

Total assets increased \$2,926,882. This was primarily due to the net effect of an increase in capital assets related to the construction project and a decrease in intergovernmental receivable related to the School District's receipt of capital grant monies from the Ohio School Facilities Commission Program.

Table 2 shows the changes in net assets for fiscal year 2003.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

(Table 2)
Change in Net Assets

	2003	2002
Revenues		
Program Revenues:		
Charges for Services	\$698,083	\$621,763
Operating Grants and Contributions	2,904,380	2,632,270
Capital Grants and Contributions	0	62,320
Total Program Revenues	3,602,463	3,316,353
General Revenues:		
Property Taxes	3,741,367	3,700,687
Grants and Entitlements not Restricted to Specific Programs	8,090,100	7,644,603
Revenue in Lieu of Taxes	382,809	0
Investment Earnings	348,772	522,908
Gifts and Donations	2,000	42,132
Miscellaneous	33,280	151,493
Total General Revenues	12,598,328	12,061,823
Total Revenues	\$16,200,791	\$15,378,176
		(continued)

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

(Table 2)
Change in Net Assets
(continued)

	2003	2002
Program Expenses		
Instruction		
Regular	\$6,708,113	\$7,277,328
Special	1,069,035	1,248,682
Vocational	171,496	123,634
Support Services		
Pupil	781,774	827,551
Instructional Staff	1,095,531	816,270
Board of Education	63,940	46,775
Administration	1,018,692	1,017,178
Fiscal	376,787	445,742
Operation and Maintenance of Plant	1,156,317	1,054,328
Pupil Transportation	886,792	788,353
Central	12,339	19,844
Operation of Non-Instructional Services		
Food Services	655,797	699,050
Other	33,801	864
Extracurricular Activities	449,068	412,523
Intergovernmental	425,391	297,617
Interest and Fiscal Charges	591,291	461,276
Total Expenses	15,496,164	15,537,015
Increase (Decrease) in Net Assets	\$704,627	(\$158,839)

Governmental Activities

Grants and Entitlements made up 68 percent of revenues for governmental activities of the Waverly City School District for fiscal year 2003. The Ohio School Facilities Commission Program is providing 82 percent of the funding for our construction project. The School District is benefiting from State funding received for instructional purposes, professional development and facilities construction.

Instruction comprises 51 percent of governmental program expenses. Support services expenses make up 35 percent of governmental expenses.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

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

(Table 3)
Governmental Activities

	Total Cost of Services 2003	Total Cost of Services 2002	Net Cost of Services 2003	Net Cost of Services 2002
Instruction	\$7,948,644	\$8,649,644	\$6,198,274	\$6,934,487
Support Services	5,392,172	5,016,041	4,726,645	4,445,915
Operation of Non-				
Instructional Services	689,598	699,914	125,760	96,774
Extracurricular Activities	449,068	412,523	251,731	266,196
Intergovernmental	425,391	297,617	0	16,014
Interest and Fiscal Charges	591,291	461,276	591,291	461,276
Total Expenses	<u>\$15,496,164</u>	<u>\$15,537,015</u>	<u>\$11,893,701</u>	<u>\$12,220,662</u>

Program revenues increased by \$286,110, due primarily to an increase in restricted grants received from other governments. Operating grants and contributions increased by \$272,110 due to an increase in grant funding primarily relating to the 21st Century Grant. Grants and entitlements not restricted for specific purposes increased by \$445,497 due to increase in state foundation allocation.

Program expenses decreased by \$40,851. Instruction expenses decreased \$701,000 from the prior year due to the preliminary stages of construction not being capitalized in the prior year. Support services and intergovernmental expenses increased \$376,131 and \$127,774, respectively, over the prior year due primarily to a general increase in salaries.

The School District's Funds

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$31,956,268 and expenditures of \$34,065,360. The net change in fund balance for the year was most significant in the construction capital projects fund, a decrease of \$2,249,816. This was due to more funds being spent on the building project through the Ohio School Facilities Commission Program.

The fund balance in the General Fund increased by \$186,078. General fund revenues increased in fiscal year 2003 by \$193,269, due primarily to an increase in state foundation settlements, including parity aid receipts.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

General Fund - Budget Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. During the course of fiscal year 2003 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

The School District's ending unobligated cash balance was \$2,944,133 above the final budgeted amount in the General Fund.

For the general fund, budget basis revenue was \$11,976,346 with original budget estimates of \$12,943,256. This 7% difference was due primarily to tax revenues coming in lower than estimates on the original budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2003 the School District had \$27,948,157 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and books and educational media. Table 4 shows fiscal year 2003 balances compared to 2002:

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

	2003	2002
Land	\$852,800	\$852,800
Construction in Progress	22,210,062	3,557,407
Land Improvements	387,376	418,783
Buildings and Improvements	2,913,739	3,101,954
Furniture and Equipment	919,000	896,061
Vehicles	665,180	619,941
Totals	\$27,948,157	\$9,446,946

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

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Debt

At June 30, 2003 the School District had \$8,463,371 in bonds and loans outstanding, as well as \$75,902 of accretion on capital appreciation bonds outstanding. \$258,084 of the bonds and loans outstanding represent the amounts due within one year. Table 5 summarizes bonds and notes outstanding:

(Table 5)
Outstanding Debt, at Year End

	2003	2002
Loans Payable		
1998-Energy Conservation Loan	\$547,465	\$613,161
General Obligation Bonds:		
2001-Classroom Facilities Bonds	7,915,906	8,085,906
Accretion on Capital		
Appreciation Bonds	75,902	37,042
Totals	\$8,539,273	\$8,736,109

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

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

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

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

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The capital appreciation bonds, issued at \$275,906, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years in 2007 thru 2008, with a maturity amount of \$280,000 each year. For fiscal year 2003, the capital appreciation bonds were accreted \$38,860.

The total outstanding bond value at fiscal year-end was \$7,991,808. The total bond value at final maturity will be \$8,370,000. As of June 30, 2003, \$406,300 of the bond proceeds had been spent toward the project.

The School District's overall legal debt margin was \$5,723,696, with an unvoted debt margin of \$148,238 and an Energy Conservation debt margin of \$786,676 at June 30, 2003.

For more information on debt, refer to Note 15 in the notes to the basic financial statements.

Current Issues

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

Although considered a low wealth district, Waverly City School District is financially stable, and has been over the past several years. As indicated in the preceding financial information, the State of Ohio provides the majority of the funding received by the School District. Careful financial planning and the passage of a building levy have permitted our School District to provide a quality education for our students along with new and renovated facilities for the future, despite our low wealth status.

The future of our School District is difficult to predict. The financial situation is stable at the present time, however, the School District is unable to predict what effect the budget problems of the State of Ohio may have on its financial operations. Waverly City School District is very concerned with the State budget decisions because the School District receives such a substantial amount of funding from the State of Ohio.

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Rebecca L. Peden, Chief Financial Officer of Waverly City Board of Education, 500 East Second Street, Waverly, OH 45690-1297 or e-mail at bpeden_wc@scoca-k12.org.

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Basic Financial Statements

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Waverly City School District
Statement of Net Assets
June 30, 2003

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$20,496,589
Accrued Interest Receivable	63,393
Accounts Receivable	382,809
Prepaid Items	105,730
Materials and Supplies Inventory	10,386
Intergovernmental Receivable	10,877,247
Taxes Receivable	3,902,837
Deferred Charges	120,288
Cash and Cash Equivalents with Escrow Agents	587,052
Capital Assets:	
Land and Construction in Progress	23,062,862
Depreciable Capital Assets, Net	4,885,295
<i>Total Assets</i>	64,494,488
 Liabilities	
Accounts Payable	82,889
Contracts Payable	2,603,771
Accrued Wages	1,171,398
Intergovernmental Payable	416,842
Deferred Revenue	3,402,241
Undistributed Monies	202
Accrued Interest Payable	198,594
Retainage Payable	587,052
Long-Term Liabilities:	
Due Within One Year	363,582
Due Within More Than One Year	9,244,066
<i>Total Liabilities</i>	18,070,637
 Net Assets	
Invested in Capital Assets, Net of Related Debt	26,963,872
Restricted for:	
Capital Projects	13,767,588
Debt Service	335,090
Set Asides	57,076
Other Purposes	86,781
Unrestricted	5,213,444
<i>Total Net Assets</i>	\$46,423,851

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities			
Instruction:			
Regular	\$6,708,113	\$255,338	\$790,887
Special	1,069,035	1,029	703,116
Vocational	171,496	0	0
Support Services:			
Pupil	781,774	12,622	17,669
Instructional Staff	1,095,531	20,130	497,270
Board of Education	63,940	0	0
Administration	1,018,692	10,806	95,294
Fiscal	376,787	0	0
Operation and Maintenance of Plant	1,156,317	2,065	0
Pupil Transportation	886,792	382	9,289
Central	12,339	0	0
Operation of Non-Instructional Services:			
Food Services	655,797	208,122	351,891
Other	33,801	0	3,825
Extracurricular Activities	449,068	187,589	9,748
Intergovernmental	425,391	0	425,391
Interest and Fiscal Charges	591,291	0	0
<i>Total Governmental Activities</i>	<u>\$15,496,164</u>	<u>\$698,083</u>	<u>\$2,904,380</u>

General Revenues

Property Taxes Levied for:
 General Purposes
 Debt Service
 Capital Outlay
Grants and Entitlements not Restricted to Specific Programs
Revenue in Lieu of Taxes
Investment Earnings
Gifts and Donations
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets
Governmental Activities
(\$5,661,888)
(364,890)
(171,496)
(751,483)
(578,131)
(63,940)
(912,592)
(376,787)
(1,154,252)
(877,121)
(12,339)
(95,784)
(29,976)
(251,731)
0
(591,291)
(11,893,701)
3,126,071
551,567
63,729
8,090,100
382,809
348,772
2,000
33,280
12,598,328
704,627
45,719,224
\$46,423,851

Waverly City School District

*Balance Sheet
Governmental Funds
June 30, 2003*

	<u>General</u>	<u>Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,304,741	\$14,429,415	\$705,357	\$20,439,513
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	57,076	0	0	57,076
Cash and Cash Equivalents with Escrow Agents	0	587,052	0	587,052
Receivables:				
Taxes	3,288,197	0	614,640	3,902,837
Accounts	382,809	0	0	382,809
Intergovernmental	0	10,675,452	201,795	10,877,247
Accrued Interest	18,677	44,716	0	63,393
Interfund Receivable	214,160	0	69,232	283,392
Prepaid Items	58,154	47,003	573	105,730
Materials and Supplies Inventory	0	0	10,386	10,386
<i>Total Assets</i>	<u>\$9,323,814</u>	<u>\$25,783,638</u>	<u>\$1,601,983</u>	<u>\$36,709,435</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$57,834	\$0	\$25,055	\$82,889
Contracts Payable	0	2,603,771	0	2,603,771
Accrued Wages	919,505	0	251,893	1,171,398
Payable from Restricted Assets:				
Retainage Payable	0	587,052	0	587,052
Interfund Payable	69,232	0	214,160	283,392
Intergovernmental Payable	225,610	0	34,612	260,222
Deferred Revenue	3,453,709	10,563,037	716,506	14,733,252
Undistributed Monies	202	0	0	202
<i>Total Liabilities</i>	<u>4,726,092</u>	<u>13,753,860</u>	<u>1,242,226</u>	<u>19,722,178</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	413,692	271,646	221,229	906,567
Reserved for Property Taxes	219,455	0	49,765	269,220
Reserved for Budget Stabilization	57,076	0	0	57,076
Unreserved (Deficit):				
Undesignated, Reported in:				
General Fund	3,907,499	0	0	3,907,499
Special Revenue Funds	0	0	(173,402)	(173,402)
Debt Service Fund	0	0	253,418	253,418
Capital Projects Funds	0	11,758,132	8,747	11,766,879
<i>Total Fund Balances</i>	<u>4,597,722</u>	<u>12,029,778</u>	<u>359,757</u>	<u>16,987,257</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,323,814</u>	<u>\$25,783,638</u>	<u>\$1,601,983</u>	<u>\$36,709,435</u>

See accompanying notes to the basic financial statements

Waverly City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2003*

Total Governmental Fund Balances \$16,987,257

**Amounts reported for governmental activities in the
 statement of net assets are different because:**

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

Land	852,800	
Construction in progress	22,210,062	
Other capital assets	13,763,855	
Accumulated depreciation	(8,878,560)	
Total captital assets	27,948,157	27,948,157

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

Taxes	231,376	
Accounts	382,809	
Intergovernmental	10,710,021	
Interest	6,805	
	11,331,011	11,331,011

Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds (156,620)

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. 120,288

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

Bonds and loans payable	(8,539,273)	
Premium on debt issue	(120,372)	
Accrued interest on bonds	(198,594)	
Capital leases	(30,520)	
Compensated absences	(917,483)	
Total liabilities	(9,806,242)	(9,806,242)

Net Assets of Governmental Activities \$46,423,851

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Construction	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$3,077,138	\$0	\$609,995	\$3,687,133
Intergovernmental	8,429,150	16,106,844	2,618,552	27,154,546
Interest	151,353	217,491	0	368,844
Tuition and Fees	242,297	0	24,595	266,892
Extracurricular Activities	0	0	220,974	220,974
Customer Services	0	0	208,122	208,122
Rent	2,065	0	30	2,095
Gifts and Donations	2,000	0	12,382	14,382
Miscellaneous	21,603	0	11,677	33,280
<i>Total Revenues</i>	<u>11,925,606</u>	<u>16,324,335</u>	<u>3,706,327</u>	<u>31,956,268</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,617,693	0	904,113	6,521,806
Special	765,422	0	338,627	1,104,049
Vocational	167,640	0	0	167,640
Support Services:				
Pupil	765,679	0	35,925	801,604
Instructional Staff	496,508	0	587,346	1,083,854
Board of Education	63,940	0	0	63,940
Administration	909,496	0	129,292	1,038,788
Fiscal	356,302	0	21,771	378,073
Operation and Maintenance of Plant	1,111,581	0	0	1,111,581
Pupil Transportation	915,519	0	11,609	927,128
Central	8,524	0	0	8,524
Operation of Non-Instructional Services - Food Services	0	0	647,394	647,394
Operation of Non-Instructional Services - Other	4,639	0	1,773	6,412
Extracurricular Activities	245,084	0	204,660	449,744
Capital Outlay	92,404	18,572,620	0	18,665,024
Intergovernmental	0	0	425,391	425,391
Debt Service:				
Principal Retirement	33,259	0	235,696	268,955
Interest and Fiscal Charges	1,462	1,531	392,460	395,453
<i>Total Expenditures</i>	<u>11,555,152</u>	<u>18,574,151</u>	<u>3,936,057</u>	<u>34,065,360</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>370,454</u>	<u>(2,249,816)</u>	<u>(229,730)</u>	<u>(2,109,092)</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	1,307	0	0	1,307
Inception of Capital Lease	7,779	0	0	7,779
Transfers In	0	0	193,462	193,462
Transfers Out	(193,462)	0	0	(193,462)
<i>Total Other Financing Sources (Uses)</i>	<u>(184,376)</u>	<u>0</u>	<u>193,462</u>	<u>9,086</u>
<i>Net Change in Fund Balances</i>	186,078	(2,249,816)	(36,268)	(2,100,006)
<i>Fund Balances at Beginning of Year</i>	<u>4,411,644</u>	<u>14,279,594</u>	<u>396,025</u>	<u>19,087,263</u>
<i>Fund Balances at End of Year</i>	<u>\$4,597,722</u>	<u>\$12,029,778</u>	<u>\$359,757</u>	<u>\$16,987,257</u>

See accompanying notes to the basic financial statements

Waverly City School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2003*

Net Change in Fund Balances - Total Governmental Funds (\$2,100,006)

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

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

Capital asset additions	19,133,639	
Depreciation expense	(609,097)	
Excess of capital outlay over depreciation expense		18,524,542

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

Proceeds from Sale of Capital Assets	(1,307)	
Loss on Disposal of Capital Assets	(22,024)	
		(23,331)

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

Delinquent Property Taxes	54,234	
Accounts	382,809	
Intergovernmental	(16,172,448)	
Interest	(20,072)	
		(15,755,477)

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

Amortization of bond issuance costs	(5,728)	
Increase in accrued interest	(156,982)	
Accretion on bonds	(38,860)	
Amortization of bond premium	5,732	
		(195,838)

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

(7,779)

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

Loan principal retirement	65,696	
Bond principal retirement	170,000	
Capital lease payments	33,259	
Total long-term debt repayment		268,955

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(4,337)	
Increase in intergovernmental payable	(2,102)	
		(6,439)

Change in Net Assets of Governmental Activities \$704,627

See accompanying notes to the basic financial statements

WAVERLY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$3,467,430	\$3,064,872	\$3,064,872	\$0
Intergovernmental	9,043,627	8,496,714	8,498,382	1,668
Interest	162,017	152,219	159,240	7,021
Tuition and Fees	257,893	242,297	242,297	0
Customer Services	0	0	0	0
Rent	2,198	2,065	2,065	0
Gifts and Donations	2,129	2,000	2,000	0
Miscellaneous	7,963	7,481	7,490	9
<i>Total Revenues</i>	<u>12,943,256</u>	<u>11,967,648</u>	<u>11,976,346</u>	<u>8,698</u>
Expenditures:				
Current:				
Instruction:				
Regular Instruction	5,590,067	6,242,068	5,626,361	615,707
Special Instruction	892,268	962,627	812,449	150,178
Vocational Instruction	149,739	157,516	149,969	7,547
Other Instruction	65,322	70,507	70,507	0
Support Services:				
Pupils	741,074	889,727	769,408	120,319
Instructional Staff	465,422	591,895	504,402	87,493
Board of Education	54,477	86,158	83,682	2,476
Administration	955,388	1,042,455	935,617	106,838
Fiscal	368,543	407,008	366,736	40,272
Operation and Maintenance of Plant	1,101,192	1,340,909	1,218,833	122,076
Pupil Transportation	996,246	1,182,880	1,107,355	75,525
Central	13,662	14,297	10,119	4,178
Operation of Non-Instructional Services				
Other	4,036	4,644	4,639	5
Extracurricular Activities	231,679	261,008	234,489	26,519
Capital Outlay	165,763	1,700,345	124,043	1,576,302
<i>Total Expenditures</i>	<u>11,794,878</u>	<u>14,954,044</u>	<u>12,018,609</u>	<u>2,935,435</u>
Excess of Revenues Over (Under) Expenditures	<u>1,148,378</u>	<u>(2,986,396)</u>	<u>(42,263)</u>	<u>2,944,133</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	0	1,307	1,307	0
Refund of Prior Year Expenditures	0	14,113	14,113	0
Advances In	0	6,217	6,217	0
Advances Out	0	(214,159)	(214,159)	0
Operating Transfers Out	(92,353)	(178,769)	(178,769)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(92,353)</u>	<u>(371,291)</u>	<u>(371,291)</u>	<u>0</u>
Net Change in Fund Balance	1,056,025	(3,357,687)	(413,554)	2,944,133
Fund Balances at Beginning of Year	4,908,602	4,908,602	4,908,602	0
Unexpended Prior Year Encumbrances	384,800	384,800	384,800	0
Fund Balances at End of Year	<u>\$6,349,427</u>	<u>\$1,935,715</u>	<u>\$4,879,848</u>	<u>\$2,944,133</u>

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$25,354</u>
<i>Total Assets</i>	<u><u>\$25,354</u></u>
Liabilities	
Undistributed Monies	<u>\$25,354</u>
<i>Total Liabilities</i>	<u><u>\$25,354</u></u>

See accompanying notes to the basic financial statements

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District was established in 1969 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 119 square miles. It is located in Pike County, and includes all of the City of Waverly and portions of Pebble, Pee Pee, Jackson, and Franklin Townships. It is staffed by 93 non-certificated employees, 123 certificated full-time teaching personnel and 15 administrative employees who provide services to 2,066 students and other community members. The School District currently operates four instructional buildings, one administrative building, and one garage.

Reporting Entity:

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

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District fall within two categories: governmental and fiduciary.

Governmental Funds

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

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

Construction Fund - The construction fund is used to account for all intergovernmental monies, debt proceeds and interest received and expended in connection with the contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of new classroom facilities.

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

Fiduciary Funds

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2003, the District invested in the State Treasury Asset Reserve of Ohio (STAROhio), money market mutual funds, Federal Home Loan Bank bonds, Federal Home Loan Bank notes, Federal Home Loan Mortgage Corporation bonds, Federal Home Loan Mortgage Corporation notes, Federal National Mortgage Association bonds, and Federal National Mortgage Association notes. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

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 2003 amounted to \$151,353, which includes \$109,168 assigned from other School District funds.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Inventories consist of purchased food held for resale and consumable supplies.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, 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.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets in the general fund are amounts required by statute to be set-aside by the School District to create a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

I. Capital Assets

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivables” and “Interfund Payables.” These amounts are eliminated in the governmental activities columns of the statement of net assets.

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for classified and certified employees and administrators after 20 years of current service with the School District.

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term loans and capital leases are recognized as a liability on the government-wide financial statements when due.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for other purposes include activities for food service operations, music and athletic programs, and federal and state grants restricted to expenditures for specified purposes.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Balance Reserves

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

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

O. Interfund Transactions

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

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

Bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each year for the compounded interest accrued during the year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as a reduction/addition of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

Q. Estimates

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

R. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect at the time the final appropriations were passed.

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

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2003, the School District has implemented GASB Statement No. 41, “Budgetary Comparison Schedules – Perspective Differences.” GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparisons for the general and each major special revenue fund. This Statement was not applicable to the School District for fiscal year 2003.

NOTE 4 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2003, the Food Services, Uniform School Supplies, Latchkey, Preschool, Disadvantaged Pupil Impact Aid, Alternative Education, Title VI-B, Title I, Title VI-R, and School to Work nonmajor special revenue funds had deficit fund balances of \$28,893, \$2,864, \$12,638, \$18,501, \$67,656, \$6,864, \$25,966, \$55,179, \$18,190, and \$16,159, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 4 – ACCOUNTABILITY AND COMPLIANCE (continued)

B. Compliance

The following funds had original appropriations in excess of original estimated resources plus available balances for fiscal year ended June 30, 2003:

Fund	Estimated Resources and Balance	Appropriations	Excess
Special Revenue Funds:			
Auxiliary Services	\$37,694	\$82,979	(\$45,285)
Teacher Development	\$666	\$1,245	(\$579)
Education Management Information Systems	\$9,803	\$16,540	(\$6,737)
Preschool	\$124,450	\$134,432	(\$9,982)
Ohio Reads	\$48,399	\$61,000	(\$12,601)
Summer School	\$0	\$14,867	(\$14,867)
Extended Learning	\$755	\$13,779	(\$13,024)
Eisenhower Grant	\$724	\$11,508	(\$10,784)
Title VI-B	\$288,594	\$342,937	(\$54,343)
Title I	\$638,555	\$740,005	(\$101,450)
Drug Free Schools	\$23,227	\$30,235	(\$7,008)
E-Rate	\$0	\$3,294	(\$3,294)
School to Work	\$54,630	\$68,657	(\$14,027)
Capital Projects Fund:			
SchoolNet	\$50,851	\$136,066	(\$85,215)

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

The major differences between the budget basis and GAAP basis are that:

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance	
GAAP Basis	\$186,078
Adjustments:	
Revenue Accruals	58,172
Net Increase in Fair Value of Investments - Fiscal Year 2003	(3,104)
Net Decrease in Fair Value of Investments - Fiscal Year 2002	2,006
Expenditure Accruals	15,406
Encumbrances	(478,863)
Transfers	14,693
Advances	(207,942)
Budget Basis	(\$413,554)

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 five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
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.

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$1,216,891 and the bank balance was \$1,555,588. Of the bank balance, \$100,000 was covered by federal depository insurance and \$1,455,588 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	<u>Unclassified</u>	<u>Category 2</u>	<u>Fair Value</u>
STAROhio	\$6,808,800	\$0	\$6,808,800
Money Market Mutual Funds	38,001	0	38,001
Federal Home Loan Bank Bonds	0	1,138,215	1,138,215
Federal Home Loan Bank Notes	0	2,774,966	2,774,966
Federal Home Loan Mortgage Corporation Bonds	0	1,747,332	1,747,332
Federal Home Loan Mortgage Corporation Notes	0	1,049,723	1,049,723
Federal National Mortgage Association Bonds	0	1,024,359	1,024,359
Federal National Mortgage Association Notes	0	5,310,708	5,310,708
Totals	<u>\$6,846,801</u>	<u>\$13,045,303</u>	<u>\$19,892,104</u>

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 Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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>	\$21,108,995	\$0
Investments:		
STAROhio	(6,808,800)	6,808,800
Money Market Mutual Funds	(38,001)	38,001
Federal Home Loan Bank Bonds	(1,138,215)	1,138,215
Federal Home Loan Bank Notes	(2,774,966)	2,774,966
Federal Home Loan Mortgage Corporation Bonds	(1,747,332)	1,747,332
Federal Home Loan Mortgage Corporation Notes	(1,049,723)	1,049,723
Federal National Mortgage Association Bonds	(1,024,359)	1,024,359
Federal National Mortgage Association Notes	(5,310,708)	5,310,708
<i>GASB Statement No. 3</i>	\$1,216,891	\$19,892,104

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 7 - PROPERTY TAXES (continued)

Tangible personal property tax revenue received during calendar 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Pike and Ross Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax, collectible delinquent taxes and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations.

The amount available as an advance at June 30, 2003, was \$219,455 in the general fund, \$4,991 in the classroom facilities maintenance special revenue fund, and \$44,774 in the debt service fund. The amount available as an advance at June 30, 2002, was \$142,715 in the general fund, \$3,484 in the classroom facilities maintenance special revenue fund, and \$28,811 in the debt service fund.

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

The assessed values upon which fiscal year 2003 taxes were collected are:

	2002 Second- Half Collections		2003 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$103,127,340	74.69%	\$113,872,000	76.82%
Public Utility	9,982,750	7.23%	10,924,400	7.37%
Tangible Personal Property	24,956,078	18.08%	23,441,485	15.81%
Total Assessed Value	<u>\$138,066,168</u>	<u>100.00%</u>	<u>\$148,237,885</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$37.12		\$37.12	

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 8 - RECEIVABLES

Receivables at June 30, 2003, consisted of property taxes, intergovernmental grants and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Classroom Facilities Grant	\$10,675,452
Title VI-B	53,643
Title I	79,074
Title VI	11,446
Drug Free Schools	6,281
Title VI-R	44,193
School to Work	7,158
Total Intergovernmental Receivables	<u><u>\$10,877,247</u></u>

During fiscal year 2001, the School District was awarded \$36,836,323 for the renovations and additions to the School District's buildings under the State's "Classroom Facilities Program." Under this program, the School District entered into an agreement with the State of Ohio in which the State initially paid for a portion of the estimated project costs. As part of the process, the School District maintains a fund into which a one-half mill levy is receipted for facilities maintenance. In addition, the School District must submit a maintenance plan to the Ohio School Facilities Commission every five years until the twenty-three year period expired. As of June 30, 2003, the School District had received \$26,160,871 of the amount awarded under this program.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Ending Balance 6/30/2002	Additions	Deletions	Ending Balance 6/30/2003
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$852,800	\$0	\$0	\$852,800
Construction in Progress	3,557,407	18,652,655	0	22,210,062
Total Capital Assets, Not Being Depreciated	<u>4,410,207</u>	<u>18,652,655</u>	<u>0</u>	<u>23,062,862</u>
Capital Assets Being Depreciated				
Land Improvements	1,136,846	8,450	0	1,145,296
Buildings and Improvements	6,841,280	2,030	0	6,843,310
Furniture and Equipment	3,167,689	313,384	(122,589)	3,358,484
Vehicles	1,611,067	157,120	(41,574)	1,726,613
Books and Educational Media	690,152	0	0	690,152
Total Capital Assets, Being Depreciated	<u>13,447,034</u>	<u>480,984</u>	<u>(164,163)</u>	<u>13,763,855</u>
Less Accumulated Depreciation:				
Land Improvements	(718,063)	(39,857)	0	(757,920)
Buildings and Improvements	(3,739,326)	(190,245)	0	(3,929,571)
Furniture and Equipment	(2,271,628)	(269,028)	101,172	(2,439,484)
Vehicles	(991,126)	(109,967)	39,660	(1,061,433)
Books and Educational Media	(690,152)	0	0	(690,152)
Total Accumulated Depreciation	<u>(8,410,295)</u>	<u>(609,097) *</u>	<u>140,832</u>	<u>(8,878,560)</u>
Total Capital Assets Being Depreciated, Net	<u>5,036,739</u>	<u>(128,113)</u>	<u>(23,331)</u>	<u>4,885,295</u>
Governmental Activities Capital Assets, Net	<u>\$9,446,946</u>	<u>\$18,524,542</u>	<u>(\$23,331)</u>	<u>\$27,948,157</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 9 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$332,410
Special	13,156
Vocational	153
Support Services:	
Pupil	7,451
Instructional Staff	4,548
Administration	24,779
Fiscal	5,322
Operation and Maintenance of Plant	63,678
Pupil Transportation	110,416
Central	3,815
Operation of Non-Instruction Services:	
Food Services	1,935
Other	27,407
Extracurricular Activities	14,027
Total Depreciation Expense	\$609,097

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 2003, the School District contracted with Harcum-Hyre Insurance for fleet insurance and Cincinnati Insurance for property insurance. Coverage is as follows:

Building and Contents - replacement cost (\$1,000 deductible)	\$24,303,974
Builders' Risk Coverage (\$10,000 deductible)	\$32,000,000
Builders' Risk Coverage - Earthquake (\$2,500 deductible)	\$1,000,000
Blanket Business - Personal Property	\$4,974,158
Including: Inland Marine Coverage (\$100 deductible)	\$33,150
Boiler and Machinery (\$250 deductible)	\$300,000
Crime Insurance (\$100 deductible)	\$6,000
Automobile Liability (\$1,000 deductible for buses; \$250 for other)	\$1,000,000

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 10 - RISK MANAGEMENT (continued)

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

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

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

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

For fiscal year 2003, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the GRP.

NOTE 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, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

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 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$187,937, \$124,135, and \$44,678, respectively; 52.90 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001.

B. State Teachers Retirement System

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

New members have a choice of three retirement plan, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 20, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

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

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$959,354, \$640,937, and \$498,757, respectively; 81.47 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$4,849 made by the School District and \$4,403 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2003, one member of the Board of Education has 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.

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, 2003, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$73,796 for fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

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, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. 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 2003, the minimum pay was established at \$14,500. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$167,706.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 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 benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 220 days for all certified and classified personnel. Upon retirement, payment is made to certified employees for 40 percent of accrued but unused sick leave up to a maximum of 50 days. Certified employees also receive an amount equal to 10 percent of accumulated sick days over 75. Classified employees receive 40 percent of accrued but unused sick leave up to a maximum of 55 days. Classified employees also receive an amount equal to 10 percent of accumulated sick leave days over 75.

B. Insurance Benefits

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 13 - EMPLOYEE BENEFITS (continued)

C. Deferred Compensation

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

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During 2003 and in previous years, the School District entered into leases for duplicating equipment. Also in previous years, the School District entered into a lease for a modular building. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

The assets acquired through capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Modular Classroom	\$65,000	\$19,500	\$45,500
Copier Equipment	35,005	12,446	22,559
Totals	\$100,005	\$31,946	\$68,059

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2003:

Fiscal Year Ending June 30,	Total Payments
2004	\$18,693
2005	12,630
2006	2,161
Total Minimum Lease Payments	33,484
Less: Amount Representing Interest	(2,964)
Present Value of Net Minimum Lease Payments	\$30,520

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2003 were as follows:

	Amount Outstanding 6/30/02	Additions	Deductions	Amount Outstanding 6/30/03	Amounts Due in One Year
<u>Governmental Activities:</u>					
1998 Energy Conservation Loan - 4.35%	\$613,161	\$0	\$65,696	\$547,465	\$68,084
<u>General Obligation Bonds:</u>					
<u>2001 Classroom Facilities:</u>					
Term Bonds 5.10%	1,200,000	0	0	1,200,000	0
Serial Bonds 4.00 to 5.10%	6,610,000	0	170,000	6,440,000	190,000
Capital Appreciation Bonds 12.26%	275,906	0	0	275,906	0
Accretion on Capital Appreciation Bonds	37,042	38,860	0	75,902	0
Premium on Debt Issue	126,104	0	5,732	120,372	5,732
Compensated Absences	913,146	128,768	124,431	917,483	83,042
Capital Leases	56,000	7,779	33,259	30,520	16,724
Total Governmental Activities Long-Term Obligations	<u>\$9,831,359</u>	<u>\$175,407</u>	<u>\$399,118</u>	<u>\$9,607,648</u>	<u>\$363,582</u>

1998 Energy Conservation Loan

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

2001 Classroom Facilities General Obligation Bonds

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

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

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

The capital appreciation bonds, issued at \$275,906, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years in 2007 thru 2008, with a maturity amount of \$280,000 each year. For fiscal year 2003, the capital appreciation bonds were accreted \$38,860.

The total outstanding bond value at fiscal year-end was \$7,991,808. The total bond value at final maturity will be \$8,370,000. As of June 30, 2003, \$406,300 of the bond proceeds had been spent toward the project.

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

The School District's overall legal debt margin was \$5,723,696 with an unvoted debt margin of \$148,238, and an Energy Conservation debt margin of \$786,676 at June 30, 2003.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2003, are as follows:

Energy Conservation Loan - 1998			
Fiscal year Ending June 30,	Principal	Interest	Total
2004	\$68,084	\$24,269	\$92,353
2005	71,111	21,242	92,353
2006	74,272	18,081	92,353
2007	77,574	14,779	92,353
2008	81,023	11,330	92,353
2009-2010	175,401	9,246	184,647
Total	\$547,465	\$98,947	\$646,412

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Classroom Facilities General Obligation Bonds - 2001

Fiscal Year Ending June 30,	Term Bonds Principal	Term Bonds Interest	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Total
2004	\$0	\$0	\$190,000	\$358,603	\$0	\$0	\$548,603
2005	0	0	200,000	350,803	0	0	550,803
2006	0	0	255,000	341,703	0	0	596,703
2007	0	0	0	336,603	146,151	133,849	616,603
2008	0	0	0	336,603	129,755	150,245	616,603
2009-2013	0	0	1,620,000	1,520,731	0	0	3,140,731
2014-2018	0	0	2,100,000	1,093,945	0	0	3,193,945
2019-2023	0	0	2,075,000	430,285	0	0	2,505,285
2024	1,200,000	92,565	0	0	0	0	1,292,565
Total	<u>\$1,200,000</u>	<u>\$92,565</u>	<u>\$6,440,000</u>	<u>\$4,769,275</u>	<u>\$275,906</u>	<u>\$284,094</u>	<u>\$13,061,840</u>

NOTE 16 - INTERFUND ACTIVITY

A. Interfund Transfers

Transfers made during the year-ended June 30, 2003, were as follows:

Transfer To	Transfer From General
All Other Nonmajor Governmental Funds	\$193,462

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 16 - INTERFUND ACTIVITY (continued)

B. Interfund Receivables/Payables

As of June 30, 2003, receivables and payables that resulted from various interfund transactions were as follows:

Payable	Receivable		
	General	All Other Nonmajor Governmental Funds	Total
General	\$0	\$69,232	\$69,232
All Other Nonmajor Governmental Funds	214,160	0	214,160
Total	\$214,160	\$69,232	\$283,392

The amounts due to the Debt Service and Classroom Facilities Maintenance funds from the general fund resulted from misposted tax receipts due to errors in settlement distributions. The amounts due to the general fund are the result of the School District moving unrestricted balances to support programs and projects accounted for in other funds. The general fund will be reimbursed when funds become available in the special revenue funds.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Adams, Brown, Highland, Pike, Ross, Scioto, Vinton, Jackson and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing body of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, and a representative of the fiscal agent. The School District paid SCOCA \$25,475 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 Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (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 the Pike County Board of Education and one representative from the Waverly City Schools Board of Education, which possesses its own budgeting and taxing authority. To obtain financial information write to the Pike County Joint Vocational School, Tonya Cooper, who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

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

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

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

Pilasco-Ross is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of chartered nonpublic schools, representatives of county boards of MR/DD, Shawnee State University, and the Southeast Regional Professional Development Centers whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the fiscal agent, Jim Tordiff, Treasurer, at Dawson-Bryant Local School District, 222 Lane Street, Coal Grove, Ohio 45638.

NOTE 18 - INSURANCE PURCHASING POOLS

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 18 - INSURANCE PURCHASING POOLS (continued)

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

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

NOTE 19 - SET-ASIDE CALCULATIONS

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

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2002	(\$567,384)	\$0	\$57,076
Current Year Set-aside Requirement	283,280	283,280	0
Current Year Offsets	0	(91,770)	0
Qualifying Disbursements	<u>(430,761)</u>	<u>(191,510)</u>	<u>0</u>
Totals	<u>(\$714,865)</u>	<u>\$0</u>	<u>\$57,076</u>
Set-aside Reserve Balance as of June 30, 2003	<u>\$0</u>	<u>\$0</u>	<u>\$57,076</u>
Required Set-aside Balances Carried Forward to FY 2003	<u>(\$714,865)</u>	<u>\$0</u>	<u>\$57,076</u>

The School District has qualifying disbursements during the fiscal year that reduced the textbooks set-aside amount to below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 20 – CONSTRUCTION COMMITMENTS

The School District contracted for the design and construction of new buildings and renovations to existing buildings. An estimated 60% of the construction of the new buildings and renovations has been completed as of June 30, 2003. Expected completion of the project is June 2004. The outstanding construction commitments at June 30, 2003 are:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At June 30, 2003</u>
J&H Reinforcing and Steel (General Trades)	\$8,623,779	\$2,364,007	\$6,259,772
Crace Construction Company	8,153,580	5,188,165	2,965,415
A.J. Stockmeister, Inc.	5,530,651	1,147,881	4,382,770
Claypool Electric, Inc.	3,265,108	913,534	2,351,574
George J. Igel & Company, Inc.	2,984,608	2,614,154	370,454
Triad Architects, Inc.	2,629,708	2,299,671	330,037
BBL Construction Services	2,342,360	1,073,718	1,268,642
Staggs Roofing, Inc.	1,771,655	867,724	903,931
J&H Reinforcing and Steel (Structural and Miscellaneous Steel)	1,746,458	1,426,484	319,974
Glennco Systems, Inc.	1,741,489	894,254	847,235
Wasserstrom	775,231	0	775,231
Sidewinder Electric Company, Inc.	573,104	563,394	9,710
Dalmatian Fire, Inc.	422,978	202,273	220,705
Total	<u>\$40,560,709</u>	<u>\$19,555,259</u>	<u>\$21,005,450</u>

NOTE 21 - 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, 2003.

B. Litigation

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

NOTE 22 – STATE SCHOOL-FUNDING DECISION

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

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

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

NOTE 23 – SUBSEQUENT EVENT

On October 8, 2003, upon the granting of a tax abatement to the Brown Corporation by the City of Waverly, the School District approved a 75% tax abatement per a request made by Brown Corporation. As a result, the School District will receive annual payments totaling \$28,137 beginning January 2005 and ending January 2014.

Waverly City School District

Combining and Individual Fund Statements and Schedules

Waverly City School District

Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

FOOD SERVICES

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

UNIFORM SCHOOL SUPPLIES

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

PUBLIC SCHOOL SUPPORT

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

LATCHKEY

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

UNDERGROUND STORAGE TANK

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

CLASSROOM FACILITIES MAINTENANCE

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

ATHLETICS

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

AUXILIARY SERVICES

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

(continued)

Waverly City School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

TEACHER DEVELOPMENT

To account for assistance provided to local school districts for the development of in-service programs.

EDUCATION MANAGEMENT INFORMATION SYSTEMS

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

PRESCHOOL

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

DISADVANTAGED PUPIL IMPACT AID

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

ONENET

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

SCHOOLNET PROFESSIONAL DEVELOPMENT

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

OHIO READS

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

SUMMER SCHOOL

To account for State money used for summer school programs.

ALTERNATIVE EDUCATION

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

EXTENDED LEARNING

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

(continued)

Waverly City School District

Fund Descriptions

Nonmajor 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

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

TITLE I

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

TITLE VI

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

DRUG FREE SCHOOLS

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

E-RATE

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

TITLE VI-R

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

SCHOOL TO WORK

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

(continued)

Waverly City School District

Fund Descriptions

(Continued)

Nonmajor Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. There is only one debt service fund.

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following are descriptions of the School District's nonmajor capital projects funds:

Nonmajor Capital Projects Funds

PERMANENT IMPROVEMENT

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

SCHOOLNET

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

Agency Fund

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds.

STUDENT MANAGED ACTIVITY FUND

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

Waverly City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$505,216	\$191,394	\$8,747	\$705,357
Receivables:				
Taxes	64,272	550,368	0	614,640
Intergovernmental	201,795	0	0	201,795
Interfund Receivable	7,208	62,024	0	69,232
Prepaid Items	573	0	0	573
Materials and Supplies Inventory	10,386	0	0	10,386
<i>Total Assets</i>	<u>\$789,450</u>	<u>\$803,786</u>	<u>\$8,747</u>	<u>\$1,601,983</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$25,055	\$0	\$0	\$25,055
Accrued Wages	251,893	0	0	251,893
Interfund Payable	214,160	0	0	214,160
Intergovernmental Payable	34,612	0	0	34,612
Deferred Revenue	210,912	505,594	0	716,506
<i>Total Liabilities</i>	<u>736,632</u>	<u>505,594</u>	<u>0</u>	<u>1,242,226</u>
Fund Balances				
Reserved for Encumbrances	221,229	0	0	221,229
Reserved for Property Taxes	4,991	44,774	0	49,765
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	(173,402)	0	0	(173,402)
Debt Service Funds	0	253,418	0	253,418
Capital Projects Funds	0	0	8,747	8,747
<i>Total Fund Balances</i>	<u>52,818</u>	<u>298,192</u>	<u>8,747</u>	<u>359,757</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$789,450</u>	<u>\$803,786</u>	<u>\$8,747</u>	<u>\$1,601,983</u>

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$63,556	\$546,439	\$0	\$609,995
Intergovernmental	2,522,927	95,625	0	2,618,552
Tuition and Fees	24,595	0	0	24,595
Extracurricular Activities	220,974	0	0	220,974
Customer Services	208,122	0	0	208,122
Rent	30	0	0	30
Gifts and Donations	12,382	0	0	12,382
Miscellaneous	11,677	0	0	11,677
<i>Total Revenues</i>	<u>3,064,263</u>	<u>642,064</u>	<u>0</u>	<u>3,706,327</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	853,262	0	50,851	904,113
Special	338,627	0	0	338,627
Support Services:				
Pupil	35,925	0	0	35,925
Instructional Staff	587,346	0	0	587,346
Administration	129,292	0	0	129,292
Fiscal	2,284	19,487	0	21,771
Pupil Transportation	11,609	0	0	11,609
Operation of Non-Instructional Services - Food Services	647,394	0	0	647,394
Operation of Non-Instructional Services - Other	1,773	0	0	1,773
Extracurricular Activities	204,660	0	0	204,660
Intergovernmental	425,391	0	0	425,391
Debt Service:				
Principal Retirement	0	235,696	0	235,696
Interest and Fiscal Charges	0	392,460	0	392,460
<i>Total Expenditures</i>	<u>3,237,563</u>	<u>647,643</u>	<u>50,851</u>	<u>3,936,057</u>
<i>Excess of Revenues Under Expenditures</i>	(173,300)	(5,579)	(50,851)	(229,730)
<u>Other Financing Sources:</u>				
Transfers In	101,109	92,353	0	193,462
<i>Net Change in Fund Balances</i>	(72,191)	86,774	(50,851)	(36,268)
<i>Fund Balances at Beginning of Year</i>	<u>125,009</u>	<u>211,418</u>	<u>59,598</u>	<u>396,025</u>
<i>Fund Balances at End of Year</i>	<u><u>\$52,818</u></u>	<u><u>\$298,192</u></u>	<u><u>\$8,747</u></u>	<u><u>\$359,757</u></u>

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Food Services	Uniform School Supplies	Public School Support
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$230	\$9,672	\$43,569
Receivables:			
Taxes	0	0	0
Intergovernmental	0	0	0
Interfund Receivable	0	0	0
Prepaid Items	573	0	0
Materials and Supplies Inventory	10,386	0	0
<i>Total Assets</i>	<i>\$11,189</i>	<i>\$9,672</i>	<i>\$43,569</i>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$0	\$2,222	\$92
Accrued Wages	35,670	0	0
Interfund Payable	0	10,314	0
Intergovernmental Payable	4,412	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<i>40,082</i>	<i>12,536</i>	<i>92</i>
<u>Fund Balances:</u>			
Reserved for Encumbrances	0	7,450	1,090
Reserved for Property Taxes	0	0	0
Unreserved, Undesignated (Deficit)	(28,893)	(10,314)	42,387
<i>Total Fund Balances (Deficit)</i>	<i>(28,893)</i>	<i>(2,864)</i>	<i>43,477</i>
<i>Total Liabilities and Fund Balances</i>	<i>\$11,189</i>	<i>\$9,672</i>	<i>\$43,569</i>

Latchkey	Underground Storage Tank	Classroom Facilities Maintenance	Athletics	Auxiliary Services	Teacher Development
\$0	\$11,000	\$156,487	\$59,519	\$11,563	\$666
0	0	64,272	0	0	0
0	0	0	0	0	0
0	0	7,208	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$0</u>	<u>\$11,000</u>	<u>\$227,967</u>	<u>\$59,519</u>	<u>\$11,563</u>	<u>\$666</u>
\$0	\$0	\$0	\$4,878	\$8,063	\$0
0	0	0	0	0	0
12,638	0	0	859	0	0
0	0	0	0	152	0
0	0	59,281	0	0	0
<u>12,638</u>	<u>0</u>	<u>59,281</u>	<u>5,737</u>	<u>8,215</u>	<u>0</u>
0	0	0	607	9,466	0
0	0	4,991	0	0	0
(12,638)	11,000	163,695	53,175	(6,118)	666
<u>(12,638)</u>	<u>11,000</u>	<u>168,686</u>	<u>53,782</u>	<u>3,348</u>	<u>666</u>
<u>\$0</u>	<u>\$11,000</u>	<u>\$227,967</u>	<u>\$59,519</u>	<u>\$11,563</u>	<u>\$666</u>

(continued)

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003
(Continued)

	Education Management Information Systems	Preschool	Disadvantaged Pupil Impact Aid
	<u> </u>	<u> </u>	<u> </u>
<i>Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$7,672	\$1,282	\$17,023
Receivables:			
Taxes	0	0	0
Intergovernmental	0	0	0
Interfund Receivable	0	0	0
Prepaid Items	0	0	0
Materials and Supplies Inventory	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$7,672</u>	<u>\$1,282</u>	<u>\$17,023</u>
<i>Liabilities and Fund Balances:</i>			
<i>Liabilities:</i>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages	0	17,235	74,395
Interfund Payable	0	0	0
Intergovernmental Payable	0	2,548	10,284
Deferred Revenue	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>0</u>	<u>19,783</u>	<u>84,679</u>
<i>Fund Balances:</i>			
Reserved for Encumbrances	7,672	1,282	17,023
Reserved for Property Taxes	0	0	0
Unreserved, Undesignated (Deficit)	0	(19,783)	(84,679)
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances (Deficit)</i>	<u>7,672</u>	<u>(18,501)</u>	<u>(67,656)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,672</u>	<u>\$1,282</u>	<u>\$17,023</u>

OneNet	SchoolNet Professional Development	Ohio Reads	Alternative Education	Extended Learning	Title VI-B
\$3,200	\$1,000	\$9,671	\$0	\$755	\$52,523
0	0	0	0	0	0
0	0	0	0	0	53,643
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$3,200</u>	<u>\$1,000</u>	<u>\$9,671</u>	<u>\$0</u>	<u>\$755</u>	<u>\$106,166</u>
\$0	\$0	\$2,996	\$0	\$0	\$0
0	0	0	5,988	0	21,894
0	0	0	0	0	53,643
0	0	0	876	0	2,952
0	0	0	0	0	53,643
<u>0</u>	<u>0</u>	<u>2,996</u>	<u>6,864</u>	<u>0</u>	<u>132,132</u>
3,200	0	7,403	0	0	52,523
0	0	0	0	0	0
0	1,000	(728)	(6,864)	755	(78,489)
<u>3,200</u>	<u>1,000</u>	<u>6,675</u>	<u>(6,864)</u>	<u>755</u>	<u>(25,966)</u>
<u>\$3,200</u>	<u>\$1,000</u>	<u>\$9,671</u>	<u>\$0</u>	<u>\$755</u>	<u>\$106,166</u>

(continued)

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003
(Continued)

	Title I	Title VI	Drug Free Schools
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$61,547	\$3,383	\$8,365
Receivables:			
Taxes	0	0	0
Intergovernmental	79,074	11,446	6,281
Interfund Receivable	0	0	0
Prepaid Items	0	0	0
Materials and Supplies Inventory	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$140,621</u>	<u>\$14,829</u>	<u>\$14,646</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$5,721	\$0	\$0
Accrued Wages	72,101	0	0
Interfund Payable	79,074	0	6,281
Intergovernmental Payable	9,994	0	0
Deferred Revenue	28,910	11,446	6,281
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>195,800</u>	<u>11,446</u>	<u>12,562</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	59,270	870	8,367
Reserved for Property Taxes	0	0	0
Unreserved, Undesignated (Deficit)	(114,449)	2,513	(6,283)
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances (Deficit)</i>	<u>(55,179)</u>	<u>3,383</u>	<u>2,084</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$140,621</u>	<u>\$14,829</u>	<u>\$14,646</u>

Title VI-R	School To Work	Total Nonmajor Special Revenue Funds
\$45,006	\$1,083	\$505,216
0	0	64,272
44,193	7,158	201,795
0	0	7,208
0	0	573
0	0	10,386
<u>\$89,199</u>	<u>\$8,241</u>	<u>\$789,450</u>

\$0	\$1,083	\$25,055
16,710	7,900	251,893
44,193	7,158	214,160
2,293	1,101	34,612
44,193	7,158	210,912
<u>107,389</u>	<u>24,400</u>	<u>736,632</u>

45,006	0	221,229
0	0	4,991
<u>(63,196)</u>	<u>(16,159)</u>	<u>(173,402)</u>
<u>(18,190)</u>	<u>(16,159)</u>	<u>52,818</u>
<u>\$89,199</u>	<u>\$8,241</u>	<u>\$789,450</u>

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Food Services	Uniform School Supplies	Public School Support
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	351,891	0	0
Tuition and Fees	0	5,370	0
Extracurricular Activities	0	0	40,171
Customer Services	208,122	0	0
Rent	0	0	30
Gifts and Donations	0	0	3,169
Miscellaneous	0	0	8,355
<i>Total Revenues</i>	<u>560,013</u>	<u>5,370</u>	<u>51,725</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	15,244	9,663
Special	0	0	1,296
Support Services:			
Pupil	0	0	12,267
Instructional Staff	0	0	4,775
Administration	0	0	13,617
Fiscal	0	0	0
Pupil Transportation	0	0	483
Operation of Non-Instructional Services - Food Services	647,394	0	0
Operation of Non-Instructional Services - Other	0	0	0
Extracurricular Activities	0	0	8,548
Intergovernmental	0	0	0
<i>Total Expenditures</i>	<u>647,394</u>	<u>15,244</u>	<u>50,649</u>
Excess of Revenues Over (Under) Expenditures	<u>(87,381)</u>	<u>(9,874)</u>	<u>1,076</u>
<u>Other Financing Sources:</u>			
Transfers In	<u>84,699</u>	<u>5,532</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>84,699</u>	<u>5,532</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(2,682)	(4,342)	1,076
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(26,211)</u>	<u>1,478</u>	<u>42,401</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>(\$28,893)</u></u>	<u><u>(\$2,864)</u></u>	<u><u>\$43,477</u></u>

Latchkey	Underground Storage Tank	Classroom Facilities Maintenance	Athletics	Auxiliary Services	Teacher Development
\$0	\$0	\$63,556	\$0	\$0	\$0
0	0	11,137	0	47,568	0
19,225	0	0	0	0	0
0	0	0	180,803	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	9,213	0	0
0	0	0	3,322	0	0
19,225	0	74,693	193,338	47,568	0
0	0	0	0	0	0
0	0	0	0	0	0
4,778	0	0	0	0	0
27,085	0	0	0	0	0
0	0	0	0	0	0
0	0	2,284	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	196,112	0	0
0	0	0	0	45,091	0
31,863	0	2,284	196,112	45,091	0
(12,638)	0	72,409	(2,774)	2,477	0
10,878	0	0	0	0	0
10,878	0	0	0	0	0
(1,760)	0	72,409	(2,774)	2,477	0
(10,878)	11,000	96,277	56,556	871	666
(\$12,638)	\$11,000	\$168,686	\$53,782	\$3,348	\$666

(continued)

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003
(Continued)

	Education Management Information Systems	Preschool	Disadvantaged Pupil Impact Aid
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	7,922	123,122	496,274
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Customer Services	0	0	0
Rent	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>7,922</u>	<u>123,122</u>	<u>496,274</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,053	108,837	400,408
Special	0	0	0
Support Services:			
Pupil	4,000	0	0
Instructional Staff	0	14,110	143,981
Administration	0	0	0
Fiscal	0	0	0
Pupil Transportation	0	0	0
Operation of Non-Instructional Services - Food Services	0	0	0
Operation of Non-Instructional Services - Other	0	0	0
Extracurricular Activities	0	0	0
Intergovernmental	0	0	0
<i>Total Expenditures</i>	<u>10,053</u>	<u>122,947</u>	<u>544,389</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,131)</u>	<u>175</u>	<u>(48,115)</u>
<u>Other Financing Sources:</u>			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(2,131)	175	(48,115)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>9,803</u>	<u>(18,676)</u>	<u>(19,541)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$7,672</u></u>	<u><u>(\$18,501)</u></u>	<u><u>(\$67,656)</u></u>

OneNet	SchoolNet Professional Development	Ohio Reads	Alternative Education	Extended Learning	Eisenhower Grant
\$0	\$0	\$0	\$0	\$0	\$0
14,000	0	32,000	44,634	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
14,000	0	32,000	44,634	0	0
24,800	0	38,014	36,299	0	0
0	7,592	0	0	0	0
0	0	0	0	0	0
0	0	3,710	0	0	172
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	552
0	0	0	0	0	0
0	0	0	0	0	0
24,800	7,592	41,724	36,299	0	724
(10,800)	(7,592)	(9,724)	8,335	0	(724)
0	0	0	0	0	0
0	0	0	0	0	0
(10,800)	(7,592)	(9,724)	8,335	0	(724)
14,000	8,592	16,399	(15,199)	755	724
\$3,200	\$1,000	\$6,675	(\$6,864)	\$755	\$0

(continued)

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003
(Continued)

	Title VI-B	Title I	Title VI
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	220,035	582,791	10,803
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Customer Services	0	0	0
Rent	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>220,035</u>	<u>582,791</u>	<u>10,803</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	0	8,220
Special	41,997	287,742	0
Support Services:			
Pupil	0	14,880	0
Instructional Staff	104,817	279,049	0
Administration	98,150	17,525	0
Fiscal	0	0	0
Pupil Transportation	10,777	349	0
Operation of Non-Instructional Services - Food Services	0	0	0
Operation of Non-Instructional Services - Other	0	822	399
Extracurricular Activities	0	0	0
Intergovernmental	0	0	0
<i>Total Expenditures</i>	<u>255,741</u>	<u>600,367</u>	<u>8,619</u>
Excess of Revenues Over (Under) Expenditures	<u>(35,706)</u>	<u>(17,576)</u>	<u>2,184</u>
<u>Other Financing Sources:</u>			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(35,706)	(17,576)	2,184
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>9,740</u>	<u>(37,603)</u>	<u>1,199</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>(\$25,966)</u></u>	<u><u>(\$55,179)</u></u>	<u><u>\$3,383</u></u>

Drug Free Schools	Title VI-R	School To Work	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$63,556
15,585	137,393	427,772	2,522,927
0	0	0	24,595
0	0	0	220,974
0	0	0	208,122
0	0	0	30
0	0	0	12,382
0	0	0	11,677
<u>15,585</u>	<u>137,393</u>	<u>427,772</u>	<u>3,064,263</u>
14,861	130,667	60,196	853,262
0	0	0	338,627
0	0	0	35,925
0	6,212	3,435	587,346
0	0	0	129,292
0	0	0	2,284
0	0	0	11,609
0	0	0	647,394
0	0	0	1,773
0	0	0	204,660
0	0	380,300	425,391
<u>14,861</u>	<u>136,879</u>	<u>443,931</u>	<u>3,237,563</u>
<u>724</u>	<u>514</u>	<u>(16,159)</u>	<u>(173,300)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>101,109</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>101,109</u>
724	514	(16,159)	(72,191)
<u>1,360</u>	<u>(18,704)</u>	<u>0</u>	<u>125,009</u>
<u>\$2,084</u>	<u>(\$18,190)</u>	<u>(\$16,159)</u>	<u>\$52,818</u>

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>			
<i>Total Revenues</i>	\$0	\$0	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	50,851	50,851
<i>Total Expenditures</i>	0	50,851	50,851
<i>Net Change in Fund Balances</i>	0	(50,851)	(50,851)
<i>Fund Balances at Beginning of Year</i>	8,747	50,851	59,598
<i>Fund Balances at End of Year</i>	\$8,747	\$0	\$8,747

Waverly City School District
Statement of Changes in Fiduciary Net Assets
Agency Fund
For the Fiscal Year Ended June 30, 2003

	Balance at 6/30/02	Additions	Reductions	Balance at 6/30/03
<u>STUDENT MANAGED ACTIVITY</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$36,151	\$30,660	\$41,457	\$25,354
Total Assets	\$36,151	\$30,660	\$41,457	\$25,354
Liabilities				
Undistributed Monies	\$36,151	\$30,660	\$41,457	\$25,354
Total Liabilities	\$36,151	\$30,660	\$41,457	\$25,354

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Waverly City School District

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

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$3,467,430	\$3,064,872	\$3,064,872	\$0
Intergovernmental	9,043,627	8,496,714	8,498,382	1,668
Interest	162,017	152,219	159,240	7,021
Tuition and Fees	257,893	242,297	242,297	0
Rent	2,198	2,065	2,065	0
Gifts and Donations	2,129	2,000	2,000	0
Miscellaneous	7,963	7,481	7,490	9
Total Revenues	12,943,256	11,967,648	11,976,346	8,698
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	4,016,364	4,421,879	3,994,311	427,568
Fringe Benefits	911,131	1,088,585	1,079,150	9,435
Purchased Services	151,532	180,037	161,438	18,599
Materials and Supplies	384,580	406,320	251,187	155,133
Capital Outlay - New	117,656	138,094	133,726	4,368
Capital Outlay - Replacement	1,651	0	0	0
Other	7,153	7,153	6,549	604
Total Regular Instruction	5,590,067	6,242,068	5,626,361	615,707
Special Instruction:				
Salaries and Wages	669,090	695,940	597,243	98,697
Fringe Benefits	161,061	183,235	149,791	33,444
Purchased Services	28,828	47,025	43,658	3,367
Materials and Supplies	26,487	29,539	18,019	11,520
Capital Outlay - New	5,686	5,772	2,626	3,146
Other	1,116	1,116	1,112	4
Total Special Instruction	892,268	962,627	812,449	150,178
Vocational Instruction:				
Salaries and Wages	111,632	112,419	110,209	2,210
Fringe Benefits	26,599	31,776	31,773	3
Purchased Services	1,906	2,560	1,500	1,060
Materials and Supplies	9,463	10,622	6,348	4,274
Other	139	139	139	0
Total Vocational Instruction	149,739	157,516	149,969	7,547
Other Instruction:				
Purchased Services	65,322	70,507	70,507	0
Total Instruction	\$6,697,396	\$7,432,718	\$6,659,286	\$773,432

(continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$447,015	\$494,415	\$425,045	\$69,370
Fringe Benefits	109,824	132,733	124,112	8,621
Purchased Services	161,413	225,077	197,228	27,849
Materials and Supplies	19,074	21,075	7,711	13,364
Capital Outlay - New	2,703	15,382	14,754	628
Other	1,045	1,045	558	487
Total Pupils	741,074	889,727	769,408	120,319
Instructional Staff:				
Salaries and Wages	288,812	360,601	311,687	48,914
Fringe Benefits	107,038	138,294	122,827	15,467
Purchased Services	49,280	62,864	43,428	19,436
Materials and Supplies	15,593	21,430	18,550	2,880
Capital Outlay - New	2,999	6,988	6,200	788
Capital Outlay - Replacement	59	0	0	0
Other	1,641	1,718	1,710	8
Total Instructional Staff	465,422	591,895	504,402	87,493
Board of Education:				
Salaries and Wages	6,636	8,640	8,640	0
Fringe Benefits	1,224	1,955	1,766	189
Purchased Services	9,779	11,329	9,495	1,834
Materials and Supplies	970	1,088	1,088	0
Other	35,868	63,146	62,693	453
Total Board of Education	54,477	86,158	83,682	2,476
Administration:				
Salaries and Wages	619,229	640,579	610,767	29,812
Fringe Benefits	180,497	214,930	185,838	29,092
Purchased Services	109,685	129,659	91,574	38,085
Materials and Supplies	33,146	37,054	29,163	7,891
Capital Outlay - New	9,755	17,427	15,633	1,794
Capital Outlay - Replacement	270	0	0	0
Other	2,806	2,806	2,642	164
Total Administration	\$955,388	\$1,042,455	\$935,617	\$106,838

(continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003
(Continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fiscal:				
Salaries and Wages	\$140,055	\$150,703	\$131,356	\$19,347
Fringe Benefits	43,109	59,998	55,497	4,501
Purchased Services	54,084	55,992	45,424	10,568
Materials and Supplies	2,737	4,737	4,665	72
Capital Outlay - New	11,989	11,989	7,593	4,396
Other	116,569	123,589	122,201	1,388
Total Fiscal	<u>368,543</u>	<u>407,008</u>	<u>366,736</u>	<u>40,272</u>
Operation and Maintenance of Plant:				
Salaries and Wages	389,069	408,348	391,420	16,928
Fringe Benefits	138,465	158,166	155,215	2,951
Purchased Services	389,736	546,270	473,205	73,065
Materials and Supplies	142,429	178,905	161,359	17,546
Capital Outlay - New	24,175	31,902	20,321	11,581
Other	17,318	17,318	17,313	5
Total Operation and Maintenance of Plant	<u>1,101,192</u>	<u>1,340,909</u>	<u>1,218,833</u>	<u>122,076</u>
Pupil Transportation:				
Salaries and Wages	376,756	399,797	361,651	38,146
Fringe Benefits	184,938	213,231	208,570	4,661
Purchased Services	45,054	58,850	45,993	12,857
Materials and Supplies	138,848	154,971	135,118	19,853
Capital Outlay - New	2,797	331,122	331,122	0
Capital Outlay - Replacement	224,861	0	0	0
Other	22,992	24,909	24,901	8
Total Pupil Transportation	<u>996,246</u>	<u>1,182,880</u>	<u>1,107,355</u>	<u>75,525</u>
Central:				
Purchased Services	10,862	11,497	10,119	1,378
Materials and Supplies	1,435	1,435	0	1,435
Capital Outlay - New	1,365	1,365	0	1,365
Total Central	<u>13,662</u>	<u>14,297</u>	<u>10,119</u>	<u>4,178</u>
Total Support Services	<u>\$4,696,004</u>	<u>\$5,555,329</u>	<u>\$4,996,152</u>	<u>\$559,177</u>

(continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Other Operation of Non-Instructional Services:				
Salaries and Wages	\$956	\$1,061	\$1,061	\$0
Fringe Benefits	164	193	193	0
Purchased Services	5	5	0	5
Materials and Supplies	2,911	3,385	3,385	0
Total Operation of Non-Instructional Services	<u>4,036</u>	<u>4,644</u>	<u>4,639</u>	<u>5</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	25,259	28,825	28,783	42
Fringe Benefits	3,034	4,798	4,798	0
Purchased Services	1,704	1,714	1,400	314
Materials and Supplies	216	216	0	216
Total Academic and Subject Oriented Activities	<u>30,213</u>	<u>35,553</u>	<u>34,981</u>	<u>572</u>
Sports Oriented Activities:				
Salaries and Wages	151,992	158,395	140,019	18,376
Fringe Benefits	21,645	27,183	26,872	311
Purchased Services	5,731	10,246	9,694	552
Materials and Supplies	3,047	3,047	0	3,047
Capital Outlay - New	4,449	9,610	7,635	1,975
Total Sports Oriented Activities	<u>186,864</u>	<u>208,481</u>	<u>184,220</u>	<u>24,261</u>
School and Public Service Activities:				
Salaries and Wages	13,195	14,787	13,295	1,492
Fringe Benefits	1,407	2,187	1,993	194
Total School and Public Service Activities	<u>14,602</u>	<u>16,974</u>	<u>15,288</u>	<u>1,686</u>
Total Extracurricular Activities	<u>\$231,679</u>	<u>\$261,008</u>	<u>\$234,489</u>	<u>\$26,519</u>

(continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003
(Continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Capital Outlay:				
Facilities Acquisition and Construction Services:				
Site Acquisition Services:				
Purchased Services	\$670	\$670	\$0	\$670
Capital Outlay - New	27,935	27,935	0	27,935
Total Site Acquisition Services	<u>28,605</u>	<u>28,605</u>	<u>0</u>	<u>28,605</u>
Site Improvement Services:				
Purchased Services	1,100	1,100	0	1,100
Capital Outlay - New	0	1,500,000	0	1,500,000
Total Site Improvement Services	<u>1,100</u>	<u>1,501,100</u>	<u>0</u>	<u>1,501,100</u>
Building Acquisition and Construction Services:				
Salaries and Wages	5,412	7,731	7,731	0
Fringe Benefits	791	2,207	2,207	0
Purchased Services	105,189	109,593	87,896	21,697
Materials and Supplies	0	0	0	0
Capital Outlay - New	0	51,035	26,135	24,900
Capital Outlay - Replacement	24,900	0	0	0
Other	(234)	74	74	0
Total Building Acquisition and Construction Services	<u>136,058</u>	<u>170,640</u>	<u>124,043</u>	<u>46,597</u>
Total Capital Outlay	<u>165,763</u>	<u>1,700,345</u>	<u>124,043</u>	<u>1,576,302</u>
<i>Total Expenditures</i>	<u>11,794,878</u>	<u>14,954,044</u>	<u>12,018,609</u>	<u>2,935,435</u>
Excess of Revenues Over (Under) Expenditures	<u>1,148,378</u>	<u>(2,986,396)</u>	<u>(42,263)</u>	<u>2,944,133</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	0	1,307	1,307	0
Refund of Prior Year Expenditures	0	14,113	14,113	0
Advances In	0	6,217	6,217	0
Advances-Out	0	(214,159)	(214,159)	0
Operating Transfers-Out	(92,353)	(178,769)	(178,769)	0
Total Other Financing Sources (Uses)	<u>(92,353)</u>	<u>(371,291)</u>	<u>(371,291)</u>	<u>0</u>
Net Change in Fund Balance	1,056,025	(3,357,687)	(413,554)	2,944,133
Fund Balance at Beginning of Year	4,908,602	4,908,602	4,908,602	0
Prior Year Encumbrances Appropriated	384,800	384,800	384,800	0
Fund Balance at End of Year	<u>\$6,349,427</u>	<u>\$1,935,715</u>	<u>\$4,879,848</u>	<u>\$2,944,133</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Construction Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$9,996,253	\$15,989,782	\$15,989,782	\$0
Interest	146,446	234,252	246,601	12,349
<i>Total Revenues</i>	<u>10,142,699</u>	<u>16,224,034</u>	<u>16,236,383</u>	<u>12,349</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Purchased Services	6,000	6,000	6,000	0
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	13,145,822	14,726,036	14,726,036	0
Architecture and Engineering Services:				
Purchased Services	2,411,914	2,411,914	1,661,432	750,482
Building Acquisition and Construction Services:				
Purchased Services	40,045	91,245	1,612,667	(1,521,422)
<i>Total Capital Outlay</i>	<u>15,597,781</u>	<u>17,229,195</u>	<u>18,000,135</u>	<u>(770,940)</u>
Debt Service:				
Interest and Fiscal Charges	0	1,531	1,531	0
<i>Total Expenditures</i>	<u>15,603,781</u>	<u>17,236,726</u>	<u>18,007,666</u>	<u>(770,940)</u>
<i>Net Change in Fund Balance</i>	(5,461,082)	(1,012,692)	(1,771,283)	(758,591)
Fund Balance at Beginning of Year	12,722,646	12,722,646	12,722,646	0
Prior Year Encumbrances Appropriated	2,292,008	2,292,008	2,292,008	0
Fund Balance at End of Year	<u>\$9,553,572</u>	<u>\$14,001,962</u>	<u>\$13,243,371</u>	<u>(\$758,591)</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Sales	\$236,326	\$207,896	\$208,123	\$227
Federal and State Subsidies	358,771	315,611	315,611	0
<i>Total Revenues</i>	<u>595,097</u>	<u>523,507</u>	<u>523,734</u>	<u>227</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Food Service:				
Salaries	203,720	219,807	219,807	0
Fringe Benefits	80,937	103,856	103,856	0
Purchased Services	12,210	14,802	14,802	0
Materials and Supplies	285,596	267,285	267,285	0
Capital Outlay - New	0	1,500	1,500	0
Other	977	973	973	0
<i>Total Expenditures</i>	<u>583,440</u>	<u>608,223</u>	<u>608,223</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	11,657	(84,716)	(84,489)	227
<u>Other Financing Sources:</u>				
Transfers-In	0	84,699	84,699	0
<i>Net Change in Fund Balance</i>	11,657	(17)	210	227
Fund Balance at Beginning of Year	17	17	17	0
Fund Balance at End of Year	<u>\$11,674</u>	<u>\$0</u>	<u>\$227</u>	<u>\$227</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>				
Tuition and Fees	\$11,789	\$5,370	\$5,370	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	19,308	26,247	26,247	0
Excess of Revenues Over (Under) Expenditures	(7,519)	(20,877)	(20,877)	0
<u>Other Financing Sources:</u>				
Advances-In	0	10,314	10,314	0
<i>Net Change in Fund Balance</i>	(7,519)	(10,563)	(10,563)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	10,563	10,563	10,563	0
Fund Balance at End of Year	<u>\$3,044</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Rent	\$34	\$30	\$30	\$0
Extracurricular Activities	27,643	24,458	24,458	0
Gifts and Donations	3,582	3,169	3,169	0
Miscellaneous	27,203	24,068	24,068	0
<i>Total Revenues</i>	<u>58,462</u>	<u>51,725</u>	<u>51,725</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	27	1,709	1,709	0
Materials and Supplies	20,369	11,377	8,011	3,366
Total Regular	<u>20,396</u>	<u>13,086</u>	<u>9,720</u>	<u>3,366</u>
Special:				
Purchased Services	1,341	1,296	1,296	0
Total Instruction	<u>21,737</u>	<u>14,382</u>	<u>11,016</u>	<u>3,366</u>
Support Services:				
Pupils:				
Purchased Services	3,713	3,768	3,768	0
Materials and Supplies	9,934	9,603	7,790	1,813
Capital Outlay - New	0	1,370	1,370	0
Capital Outlay - Replacement	115	0	0	0
Total Pupils	<u>13,762</u>	<u>14,741</u>	<u>12,928</u>	<u>1,813</u>
Instructional Staff:				
Purchased Services	1,502	4,620	4,620	0
Materials and Supplies	3,601	3,601	332	3,269
Total Instructional Staff	<u>\$5,103</u>	<u>\$8,221</u>	<u>\$4,952</u>	<u>\$3,269</u>

(continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2003
(Continued)

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Administration:				
Purchased Services	\$0	\$149	\$149	\$0
Materials and Supplies	6,112	11,921	11,069	852
Capital Outlay - New	688	688	307	381
Other	12,552	6,523	3,106	3,417
Total Administration	<u>19,352</u>	<u>19,281</u>	<u>14,631</u>	<u>4,650</u>
Pupil Transportation:				
Purchased Services	324	521	483	38
Total Support Services	<u>38,541</u>	<u>42,764</u>	<u>32,994</u>	<u>9,770</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	8,500	8,548	8,548	0
Total Expenditures	<u>68,778</u>	<u>65,694</u>	<u>52,558</u>	<u>13,136</u>
Net Change in Fund Balance	(10,317)	(13,969)	(833)	13,136
Fund Balance at Beginning of Year	40,205	40,205	40,205	0
Prior Year Encumbrances Appropriated	3,017	3,017	3,017	0
Fund Balance at End of Year	<u>\$32,906</u>	<u>\$29,253</u>	<u>\$42,389</u>	<u>\$13,136</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Latchkey Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Tuition and Fees	\$30,279	\$19,225	\$19,225	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	0	451	451	0
Fringe Benefits	711	873	873	0
Materials and Supplies	3,074	3,454	3,454	0
Total Pupils	3,785	4,778	4,778	0
Instructional Staff:				
Salaries and Wages	21,487	23,394	23,394	0
Fringe Benefits	3,350	3,691	3,691	0
Total Instructional Staff	24,837	27,085	27,085	0
<i>Total Expenditures</i>	28,622	31,863	31,863	0
Excess of Revenues Over (Under) Expenditures	1,657	(12,638)	(12,638)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	12,638	12,638	0
Transfers-Out	(1,614)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	(1,614)	12,638	12,638	0
<i>Net Change in Fund Balance</i>	43	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$43	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Underground Storage Tank Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
Fund Balance at Beginning of Year	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$11,000</u></u>	<u><u>\$11,000</u></u>	<u><u>\$11,000</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$92,347	\$63,534	\$63,534	\$0
Intergovernmental	0	3,929	3,929	0
<i>Total Revenues</i>	92,347	67,463	67,463	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	967	2,284	2,284	0
<i>Net Change in Fund Balance</i>	91,380	65,179	65,179	0
Fund Balance at Beginning of Year	91,308	91,308	91,308	0
Fund Balance at End of Year	<u>\$182,688</u>	<u>\$156,487</u>	<u>\$156,487</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Extracurricular Activities	\$130,439	\$145,128	\$145,597	\$469
Gifts and Donations	8,281	9,213	9,213	0
Miscellaneous	34,628	38,528	38,528	0
<i>Total Revenues</i>	<u>173,348</u>	<u>192,869</u>	<u>193,338</u>	<u>469</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	6,806	6,907	2,790	4,117
Materials and Supplies	14,536	14,481	14,481	0
Other	39,169	41,291	41,291	0
Total Academic and Subject Oriented Activities	<u>60,511</u>	<u>62,679</u>	<u>58,562</u>	<u>4,117</u>
Sports Oriented Activities:				
Purchased Services	50,123	61,524	58,712	2,812
Materials and Supplies	54,649	65,754	50,703	15,051
Capital Outlay - New	319	6,776	6,634	142
Other	13,571	26,300	21,808	4,492
Total Sports Oriented Activities	<u>118,662</u>	<u>160,354</u>	<u>137,857</u>	<u>22,497</u>
<i>Total Expenditures</i>	<u>179,173</u>	<u>223,033</u>	<u>196,419</u>	<u>26,614</u>
Excess of Revenues Over (Under) Expenditures	(5,825)	(30,164)	(3,081)	27,083
<u>Other Financing Sources:</u>				
Advances In	0	859	859	0
<i>Net Change in Fund Balance</i>	(5,825)	(29,305)	(2,222)	27,083
Fund Balance at Beginning of Year	53,368	53,368	53,368	0
Prior Year Encumbrances Appropriated	3,281	3,281	3,281	0
Fund Balance at End of Year	<u>\$50,824</u>	<u>\$27,344</u>	<u>\$54,427</u>	<u>\$27,083</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$36,025	\$47,568	\$47,568	\$0
<i>Total Revenues</i>	<u>36,025</u>	<u>47,568</u>	<u>47,568</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	36,846	23,136	23,136	0
Fringe Benefits	5,715	3,641	3,641	0
Purchased Services	2,502	2,579	2,579	0
Materials and Supplies	14,813	12,677	12,677	0
Capital Outlay - New	23,103	7,002	7,002	0
<i>Total Expenditures</i>	<u>82,979</u>	<u>49,035</u>	<u>49,035</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(46,954)	(1,467)	(1,467)	0
Fund Balance at Beginning of Year	203	203	203	0
Prior Year Encumbrances Appropriated	<u>1,466</u>	<u>1,466</u>	<u>1,466</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$45,285)</u></u>	<u><u>\$202</u></u>	<u><u>\$202</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,245	0	0	0
<i>Net Change in Fund Balance</i>	(1,245)	0	0	0
Fund Balance at Beginning of Year	28	28	28	0
Prior Year Encumbrances Appropriated	638	638	638	0
Fund Balance at End of Year	<u>(\$579)</u>	<u>\$666</u>	<u>\$666</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Management Information Systems Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$0	\$7,922	\$7,922	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	5,803	9,475	9,475	0
Materials and Supplies	250	250	250	0
Total Instruction	<u>6,053</u>	<u>9,725</u>	<u>9,725</u>	<u>0</u>
Support Services:				
Pupils:				
Salaries and Wages	4,401	8,000	8,000	0
Central:				
Purchased Services	6,086	0	0	0
Total Support Services	<u>10,487</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>16,540</u>	<u>17,725</u>	<u>17,725</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(16,540)	(9,803)	(9,803)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>9,803</u>	<u>9,803</u>	<u>9,803</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$6,737)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$124,450	\$123,122	\$123,122	\$0
<i>Total Revenues</i>	<u>124,450</u>	<u>123,122</u>	<u>123,122</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	89,565	90,351	90,351	0
Fringe Benefits	21,451	19,083	19,083	0
Materials and Supplies	434	0	0	0
Capital Outlay - New	5,217	0	0	0
Total Instruction	<u>116,667</u>	<u>109,434</u>	<u>109,434</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	10,835	11,426	11,426	0
Fringe Benefits	1,965	2,262	2,262	0
Total Support Services	<u>12,800</u>	<u>13,688</u>	<u>13,688</u>	<u>0</u>
<i>Total Expenditures</i>	<u>129,467</u>	<u>123,122</u>	<u>123,122</u>	<u>0</u>
Excess of Revenues Under Expenditures	(5,017)	0	0	0
<u>Other Financing Uses:</u>				
Transfers-Out	<u>(4,965)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(9,982)	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$9,982)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$520,431	\$496,274	\$496,274	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	297,748	284,969	284,969	0
Fringe Benefits	75,773	72,124	72,124	0
Total Instruction	373,521	357,093	357,093	0
Support Services:				
Instructional Staff:				
Salaries and Wages	99,696	88,243	88,243	0
Fringe Benefits	47,214	50,938	50,938	0
Total Support Services	146,910	139,181	139,181	0
<i>Total Expenditures</i>	520,431	496,274	496,274	0
<i>Net Change in Fund Balance</i>	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$14,000	\$14,000	\$14,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(14,000)	(14,000)	(14,000)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	2,845	0	0	0
Excess of Revenues Under Expenditures	(2,845)	0	0	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	(7,592)	(7,592)	0
<i>Net Change in Fund Balance</i>	(2,845)	(7,592)	(7,592)	0
Fund Balance at Beginning of Year	8,592	8,592	8,592	0
Fund Balance at End of Year	<u>\$5,747</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$32,000	\$32,000	\$32,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	1,000	3,001	3,001	0
Purchased Services	26,400	13,200	13,200	0
Materials and Supplies	21,856	21,987	21,987	0
Capital Outlay - New	6,149	6,017	6,017	0
Total Instruction	55,405	44,205	44,205	0
Support Services:				
Instructional Staff:				
Purchased Services	5,595	4,194	4,194	0
<i>Total Expenditures</i>	61,000	48,399	48,399	0
<i>Net Change in Fund Balance</i>	(29,000)	(16,399)	(16,399)	0
Fund Balance at Beginning of Year	1,000	1,000	1,000	0
Prior Year Encumbrances Appropriated	15,399	15,399	15,399	0
Fund Balance at End of Year	<u>(\$12,601)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer School Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

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

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$47,361	\$44,634	\$44,634	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	38,944	36,512	36,512	0
Fringe Benefits	7,582	8,022	8,022	0
Materials and Supplies	1,386	651	651	0
<i>Total Expenditures</i>	<u>47,912</u>	<u>45,185</u>	<u>45,185</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(551)	(551)	(551)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>551</u>	<u>551</u>	<u>551</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Extended Learning Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	200	0	0	0
Fringe Benefits	31	0	0	0
Materials and Supplies	1,265	0	0	0
Total Instruction	<u>1,496</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Purchased Services	8,741	0	0	0
Materials and Supplies	3,023	0	0	0
Other	519	0	0	0
Total Support Services	<u>12,283</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>13,779</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(13,779)	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>755</u>	<u>755</u>	<u>755</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$13,024)</u>	<u>\$755</u>	<u>\$755</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>10,774</u>	<u>172</u>	<u>172</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>552</u>	<u>552</u>	<u>552</u>	<u>0</u>
Materials and Supplies	<u>182</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operation of Non- Instructional Services	<u>734</u>	<u>552</u>	<u>552</u>	<u>0</u>
<i>Total Expenditures</i>	<u>11,508</u>	<u>724</u>	<u>724</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(11,508)</u>	<u>(724)</u>	<u>(724)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>724</u>	<u>724</u>	<u>724</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$10,784)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$273,678	\$220,035	\$220,035	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	59,036	63,292	63,292	0
Fringe Benefits	12,323	12,025	12,025	0
Total Instruction	71,359	75,317	75,317	0
Support Services:				
Instructional Staff:				
Salaries and Wages	103,032	82,541	82,541	0
Fringe Benefits	37,647	25,467	25,467	0
Total Instructional Staff	140,679	108,008	108,008	0
Administration:				
Salaries and Wages	70,711	70,887	70,887	0
Fringe Benefits	16,611	23,605	23,605	0
Total Administration	87,322	94,492	94,492	0
Pupil Transportation:				
Purchased Services	43,577	10,777	10,777	0
Total Support Services	271,578	213,277	213,277	0
<i>Total Expenditures</i>	342,937	288,594	288,594	0
Excess of Revenues Under Expenditures	(69,259)	(68,559)	(68,559)	0
<u>Other Financing Sources:</u>				
Advances In	0	53,643	53,643	0
<i>Net Change in Fund Balance</i>	(69,259)	(14,916)	(14,916)	0
Fund Balance at Beginning of Year	14,916	14,916	14,916	0
Fund Balance (Deficit) at End of Year	(\$54,343)	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$611,701	\$532,627	\$532,627	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	290,736	250,902	250,902	0
Fringe Benefits	72,944	55,114	55,114	0
Materials and Supplies	11,722	8,750	8,750	0
Total Instruction	<u>375,402</u>	<u>314,766</u>	<u>314,766</u>	<u>0</u>
Support Services:				
Pupils:				
Salaries and Wages	11,252	8,460	8,460	0
Fringe Benefits	3,939	3,884	3,884	0
Total Pupils	<u>15,191</u>	<u>12,344</u>	<u>12,344</u>	<u>0</u>
Instructional Staff:				
Salaries and Wages	235,927	213,521	213,521	0
Fringe Benefits	68,267	63,554	63,554	0
Purchased Services	26,000	15,878	15,878	0
Total Instructional Staff	<u>330,194</u>	<u>292,953</u>	<u>292,953</u>	<u>0</u>
Administration:				
Salaries and Wages	15,531	13,939	13,939	0
Fringe Benefits	3,687	3,731	3,731	0
Total Administration	<u>19,218</u>	<u>17,670</u>	<u>17,670</u>	<u>0</u>
Total Support Services	<u>364,603</u>	<u>322,967</u>	<u>322,967</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	822	822	0
Total Expenditures	<u>740,005</u>	<u>638,555</u>	<u>638,555</u>	<u>0</u>
Excess of Revenues Under Expenditures	(128,304)	(105,928)	(105,928)	0
<u>Other Financing Sources:</u>				
Advances In	0	79,074	79,074	0
Net Change in Fund Balance	(128,304)	(26,854)	(26,854)	0
Fund Balance at Beginning of Year	26,854	26,854	26,854	0
Fund Balance (Deficit) at End of Year	<u>(\$101,450)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$22,249	\$10,803	\$10,803	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	15,304	9,090	9,090	0
Capital Outlay - New	3,796	0	0	0
Total Regular	19,100	9,090	9,090	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	399	399	399	0
<i>Total Expenditures</i>	19,499	9,489	9,489	0
<i>Net Change in Fund Balance</i>	2,750	1,314	1,314	0
Fund Balance at Beginning of Year	1,199	1,199	1,199	0
Fund Balance at End of Year	<u>\$3,949</u>	<u>\$2,513</u>	<u>\$2,513</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$21,866	\$15,585	\$15,585	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,632	13,987	13,987	0
Fringe Benefits	557	385	385	0
Purchased Services	5,589	6,070	6,070	0
Materials and Supplies	2,457	2,785	2,785	0
<i>Total Expenditures</i>	<u>30,235</u>	<u>23,227</u>	<u>23,227</u>	<u>0</u>
Excess of Revenues Under Expenditures	(8,369)	(7,642)	(7,642)	0
<u>Other Financing Sources:</u>				
Advances In	<u>0</u>	<u>6,281</u>	<u>6,281</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(8,369)	(1,361)	(1,361)	0
Fund Balance at Beginning of Year	1,327	1,327	1,327	0
Prior Year Encumbrances Appropriated	<u>34</u>	<u>34</u>	<u>34</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$7,008)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
E-Rate Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

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

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$181,586	\$137,393	\$137,393	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	127,198	137,168	137,168	0
Fringe Benefits	37,886	31,989	31,989	0
Total Instruction	165,084	169,157	169,157	0
Support Services:				
Instructional Staff:				
Purchased Services	10,285	6,212	6,212	0
<i>Total Expenditures</i>	175,369	175,369	175,369	0
Excess of Revenues Over (Under) Expenditures	6,217	(37,976)	(37,976)	0
<u>Other Financing Sources (Uses):</u>				
Advances-In	0	44,193	44,193	0
Advances Out	0	(6,217)	(6,217)	0
<i>Total Other Financing Sources (Uses)</i>	0	37,976	37,976	0
<i>Net Change in Fund Balance</i>	6,217	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$6,217</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School to Work Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$54,630	\$47,472	\$47,472	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	43,116	31,602	31,602	0
Fringe Benefits	11,806	9,292	9,292	0
Purchased Services	0	5,366	5,366	0
Capital Outlay - New	10,301	4,935	4,935	0
Total Instruction	65,223	51,195	51,195	0
Support Services:				
Instructional Staff:				
Purchased Services	3,434	3,435	3,435	0
<i>Total Expenditures</i>	68,657	54,630	54,630	0
Excess of Revenues Under Expenditures	(14,027)	(7,158)	(7,158)	0
<u>Other Financing Sources:</u>				
Advances In	0	7,158	7,158	0
<i>Net Change in Fund Balance</i>	(14,027)	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>(\$14,027)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$575,126	\$542,717	\$542,717	\$0
Intergovernmental	92,353	33,601	33,601	0
<i>Total Revenues</i>	<u>667,479</u>	<u>576,318</u>	<u>576,318</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	20,661	20,661	19,487	1,174
Debt Service:				
Principal Retirement	235,696	235,696	235,696	0
Interest and Fiscal Charges	375,728	392,460	392,460	0
Total Debt Service	<u>611,424</u>	<u>628,156</u>	<u>628,156</u>	<u>0</u>
<i>Total Expenditures</i>	<u>632,085</u>	<u>648,817</u>	<u>647,643</u>	<u>1,174</u>
Excess of Revenues Over (Under) Expenditures	35,394	(72,499)	(71,325)	1,174
<u>Other Financing Sources:</u>				
Transfers-In	0	92,353	92,353	0
<i>Net Change in Fund Balance</i>	35,394	19,854	21,028	1,174
Fund Balance at Beginning of Year	<u>170,366</u>	<u>170,366</u>	<u>170,366</u>	<u>0</u>
Fund Balance at End of Year	<u>\$205,760</u>	<u>\$190,220</u>	<u>\$191,394</u>	<u>\$1,174</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

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

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,369	0	0	0
Materials and Supplies	641	0	0	0
Capital Outlay - New	134,056	50,851	50,851	0
<i>Total Expenditures</i>	<u>136,066</u>	<u>50,851</u>	<u>50,851</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(136,066)	(50,851)	(50,851)	0
Fund Balance at Beginning of Year	<u>50,851</u>	<u>50,851</u>	<u>50,851</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$85,215)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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STATISTICAL SECTION

TABLE 1**WAVERLY CITY SCHOOL DISTRICT**Government-wide Expenses by Function
Last Three Fiscal Years

Fiscal Year (1)	2001	2002	2003
Current:			
Instruction:			
Regular	\$5,924,366	\$7,209,505	\$6,708,113
Special	1,109,969	1,248,682	1,069,035
Vocational	149,069	123,634	171,496
Other	45,511	67,823	0
Support Services:			
Pupil	607,246	827,551	781,774
Instructional Staff	947,256	816,270	1,095,531
Board of Education	38,851	46,775	63,940
Administration	973,537	1,017,178	1,018,692
Fiscal	360,285	445,742	376,787
Business	44,894	0	0
Operation and Maintenance			
of Plant	1,068,241	1,054,328	1,156,317
Pupil Transportation	797,019	788,353	886,792
Central	16,224	19,844	12,339
Operation of Non-Instructional			
Services - Food Services	645,419	699,050	655,797
Operation of Non-Instructional			
Services - Other	605	864	33,801
Extracurricular Activities	414,154	412,523	449,068
Intergovernmental	42,109	297,617	425,391
Interest and Fiscal Charges	256,783	461,276	591,291
Total	\$13,441,538	\$15,537,015	\$15,496,164

Source: Waverly City School District records.

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

WAVERLY CITY SCHOOL DISTRICT

Government-wide Revenues by Source (1)
Last Three Fiscal Years

Fiscal Year (2)	Program Revenues			Property Taxes	Intergovernmental
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
2001	\$459,581	\$2,152,351	\$145,870	\$3,372,688	\$43,146,697
2002	\$621,763	\$2,632,270	\$62,320	\$3,700,687	\$7,686,735
2003	\$698,083	\$2,904,380	\$0	\$3,741,367	\$8,090,100

Source: Waverly City School District records.

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

TABLE 2

General Revenues

Revenue in Lieu of Taxes	Interest	Gift and Donations	Miscellaneous	Total
\$0	\$666,613	\$202,680	\$202,680	\$50,349,160
\$0	\$522,908	\$151,493	\$151,493	\$15,529,669
\$382,809	\$348,772	\$2,000	\$33,280	\$16,200,791

WAVERLY CITY SCHOOL DISTRICT
 General Government Expenditures by Function (1)
 Last Ten Fiscal Years

Fiscal Year	1994	1995	1996	1997	1998
Current:					
Instruction:					
Regular	\$3,611,989	\$3,830,074	\$3,938,313	\$4,007,877	\$4,389,495
Special	971,666	1,153,901	1,106,999	1,205,487	1,089,027
Vocational	100,957	111,478	110,030	112,470	121,060
Other	5,016	1,233	22,640	3,927	12,926
Support Services:					
Pupil	377,618	385,354	389,383	432,439	407,533
Instructional Staff	355,584	342,307	393,643	451,168	520,007
Board of Education	24,939	35,626	26,124	32,973	35,177
Administration	718,459	766,465	914,295	913,406	950,130
Fiscal	195,004	219,064	230,623	231,869	267,207
Operation and Maintenance of Plant	750,564	909,522	740,055	860,555	1,023,360
Pupil Transportation	467,568	573,827	559,768	684,222	662,391
Central	2,296	14,027	14,998	7,052	9,231
Operation of Non-Instructional Services - Food Services	478,686	514,428	504,274	559,245	576,291
Operation of Non-Instructional Services - Other	3,198	4,722	2,106	13,281	35,669
Extracurricular Activities	221,587	239,057	246,506	242,755	254,895
Capital Outlay	86,376	75,546	86,288	804,560	15,896
Intergovernmental	0	0	0	0	0
Debt Service	47,350	45,250	43,150	41,050	0
Totals	<u>\$8,418,857</u>	<u>\$9,221,881</u>	<u>\$9,329,195</u>	<u>\$10,604,336</u>	<u>\$10,370,295</u>

Source: Waverly City School District records.

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

TABLE 3

1999	2000	2001	2002	2003
\$4,866,826	\$5,507,128	\$5,723,795	\$6,158,416	\$6,521,806
902,764	1,043,354	1,093,346	1,151,152	1,104,049
123,038	127,188	138,735	122,075	167,640
119,062	128,174	45,511	67,823	0
539,019	741,203	634,446	775,912	801,604
726,336	779,537	873,238	883,151	1,083,854
28,111	26,911	38,851	46,775	63,940
835,648	795,523	940,271	988,641	1,038,788
283,291	329,174	357,037	442,136	378,073
996,183	1,178,454	1,084,478	1,023,502	1,111,581
640,420	729,455	890,040	891,906	927,128
19,900	17,542	20,877	15,902	8,524
587,371	592,688	550,677	646,606	647,394
15,071	54,997	4,312	4,770	6,412
276,137	371,834	377,709	399,507	449,744
838,693	1,226,795	830,277	3,912,379	18,665,024
0	0	42,109	297,617	425,391
0	92,353	451,267	497,829	664,408
<u>\$11,797,870</u>	<u>\$13,742,310</u>	<u>\$14,096,976</u>	<u>\$18,326,099</u>	<u>\$34,065,360</u>

WAVERLY CITY SCHOOL DISTRICT

General Government Revenues by Source (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Property Taxes	\$2,451,868	\$2,302,055	\$2,876,153	\$2,350,285	\$2,177,489
Intergovernmental	5,944,424	6,182,041	6,770,612	7,484,162	7,179,533
Interest	92,153	170,234	214,944	227,483	319,303
Tuition and Fees	45,217	37,433	28,736	38,670	49,547
Extracurricular	139,071	162,401	201,034	149,750	135,651
Customer Services	162,313	169,215	275,285	300,828	304,411
Rent	0	4,095	2,400	3,177	6,888
Gifts and Donations	0	5,487	6,183	4,828	63,318
Miscellaneous	<u>116,400</u>	<u>118,819</u>	<u>33,653</u>	<u>42,535</u>	<u>115,224</u>
Totals	<u>\$8,951,446</u>	<u>\$9,151,780</u>	<u>\$10,409,000</u>	<u>\$10,601,718</u>	<u>\$10,351,364</u>

Source: Waverly City School District records.

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

TABLE 4

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
\$2,635,177	\$3,185,571	\$3,343,746	\$3,669,150	\$3,687,133
7,950,445	8,014,263	9,792,308	19,212,770	27,154,546
322,757	299,330	648,335	531,497	368,844
47,296	55,484	57,379	211,796	266,892
132,451	152,569	168,150	163,593	220,974
208,742	236,999	231,812	242,024	208,122
6,548	7,005	2,240	4,350	2,095
55,140	60,759	54,681	55,296	14,382
<u>123,665</u>	<u>141,479</u>	<u>202,680</u>	<u>151,493</u>	<u>33,280</u>
<u><u>\$11,482,221</u></u>	<u><u>\$12,153,459</u></u>	<u><u>\$14,501,331</u></u>	<u><u>\$24,241,969</u></u>	<u><u>\$31,956,268</u></u>

WAVERLY CITY SCHOOL DISTRICT

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

<u>Collection Year</u>	<u>Tax Levied (1)</u>	<u>Current Tax Collection (2)</u>	<u>Percent Collected</u>	<u>Delinquent Collection</u>
1994	\$2,851,959	\$1,846,364	64.74	\$160,553
1995	\$2,790,197	\$2,210,156	79.21	\$192,187
1996	\$3,128,083	\$2,308,787	73.81	\$200,764
1997	\$3,256,946	\$2,333,614	71.65	\$202,923
1998	\$3,380,729	\$2,405,642	71.16	\$209,186
1999	\$3,495,612	\$2,441,723	69.85	\$127,677
2000	\$3,873,633	\$2,788,433	71.98	\$208,909
2001	\$3,874,436	\$3,051,964	78.77	\$142,151
2002	\$2,948,066	\$2,695,731	91.44	\$259,864
2003	\$3,924,294	\$2,351,992	59.93	\$147,150

Source: Pike County Auditor

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

TABLE 5

<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes To Tax Levied</u>
\$2,006,917	70.37	\$246,211	8.63%
\$2,402,343	86.10	\$346,115	12.40
\$2,509,551	80.23	\$105,293	3.37
\$2,536,537	77.88	\$104,694	3.21
\$2,614,828	77.35	\$131,283	3.88
\$2,569,400	73.50	\$149,704	4.28
\$2,997,342	77.38	\$116,663	3.01
\$3,194,115	82.44	\$145,605	3.76
\$2,955,595	100.25	\$171,842	5.83
\$2,499,142	63.68	\$231,375	5.90

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	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994	\$67,752,070	\$193,577,343	\$15,180,712	\$60,722,848
1995	\$70,587,280	\$201,677,943	\$15,221,072	\$60,884,288
1996	\$71,845,890	\$205,273,971	\$17,708,846	\$70,835,384
1997	\$78,964,110	\$225,611,743	\$19,869,133	\$79,476,532
1998	\$78,017,170	\$222,906,200	\$22,389,505	\$89,558,020
1999	\$80,312,350	\$229,463,857	\$23,447,763	\$93,791,052
2000	\$104,556,410	\$298,732,600	\$26,168,773	\$104,675,092
2001	\$104,310,020	\$298,028,629	\$25,656,945	\$102,627,780
2002	\$103,127,340	\$294,649,543	\$24,956,078	\$99,824,312
2003	\$113,872,000	\$325,348,571	\$23,441,485	\$93,765,940

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 6

Public Utilities		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Actual Value	Ratio (2)
\$12,202,070	\$13,865,989	\$95,134,852	\$268,166,179	35.48%
\$12,968,870	\$14,737,352	\$98,777,222	\$277,299,583	35.62%
\$8,270,640	\$9,398,455	\$97,825,376	\$285,507,810	34.26%
\$12,652,470	\$14,377,807	\$111,485,713	\$319,466,082	34.90%
\$12,286,090	\$13,961,466	\$112,692,765	\$326,425,686	34.52%
\$13,173,640	\$14,970,045	\$116,933,753	\$338,224,955	34.57%
\$12,444,000	\$14,140,909	\$143,169,183	\$417,548,601	34.29%
\$11,948,020	\$13,577,295	\$141,914,985	\$414,233,704	34.26%
\$9,982,750	\$11,344,034	\$138,066,168	\$405,817,889	34.02%
\$10,924,400	\$12,414,091	\$148,237,885	\$431,528,602	34.35%

WAVERLY CITY SCHOOL DISTRICT

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

<u>Collection Year</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Waverly City School District	\$32.50	\$32.50	\$32.50	\$32.50
Pike County	\$9.20	\$9.20	\$9.20	\$9.20
City of Waverly	\$17.80	\$16.30	\$16.30	\$16.30
Pike County Joint Vocational School	\$6.80	\$6.80	\$6.80	\$6.50

Source: Pike County Auditor

TABLE 7

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
\$32.50	\$32.50	\$39.00	\$37.12	\$37.12	\$37.12
\$9.20	\$9.20	\$9.20	\$14.20	\$14.20	\$14.20
\$16.30	\$16.30	\$16.30	\$16.30	\$15.30	\$15.30
\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50

TABLE 8

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Assessed Value (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt To Assessed Value (%)</u>	<u>Net Bonded Debt Per Capita</u>
1994	5,084	\$95,134,852	\$120,000	0.13%	\$24
1995	5,084	\$98,777,222	\$80,000	0.08%	\$16
1996	5,084	\$97,825,376	\$40,000	0.04%	\$8
1997	5,084	\$111,485,713	\$0	0.00%	\$0
1998	5,084	\$112,692,765	\$0	0.00%	\$0
1999	5,084	\$116,933,753	\$0	0.00%	\$0
2000	4,433	\$143,169,183	\$0	0.00%	\$0
2001	4,433	\$141,914,985	\$7,779,076	5.48%	\$1,755
2002	4,433	\$138,066,168	\$7,911,530	5.73%	\$1,785
2003	4,433	\$148,237,885	\$7,617,714	5.14%	\$1,718

Sources:

- (1) 1991 through 1999 population data from 1990 U.S. census.
After 1999, population data is from 2000 U.S. census.
- (2) Pike County Auditor, calendar year basis.
- (3) Net bonded debt does not include Energy Conservation Loan.

TABLE 9**WAVERLY CITY SCHOOL DISTRICT**

Computation of Legal Debt Margin

June 30, 2003

(1) Assessed Valuation of District		<u><u>\$148,237,885</u></u>
 Overall Direct Debt Limitation		
<hr/>		
Direct debt limitation		
9% of assessed valuation (1)		\$13,341,410
Gross indebtedness	8,463,371	
Less Exempt Debt:		
Energy Conservation Loan	<u>547,465</u>	
Debt within 9.0% limitation	7,915,906	
Less amount available for debt service	<u>298,192</u>	
Net indebtedness		<u>7,617,714</u>
Legal debt margin within 9% limitation		<u><u>\$5,723,696</u></u>
 Energy Conservation Debt Limitation		
<hr/>		
Debt limitation		
0.9% of assessed valuation (1)		\$1,334,141
Net debt within 0.9% limitation		<u>(547,465)</u>
Energy Conservation Debt Margin		<u><u>\$786,676</u></u>
 Unvoted Direct Debt Limitation		
<hr/>		
Unvoted debt limitation		
0.1% of assessed valuation (1)		\$148,238
Gross indebtedness	547,465	
Less Exempt Debt:		
Energy Conservation Loan	<u>(547,465)</u>	
Net indebtedness		<u>0</u>
Legal debt margin within 0.1% limitation		<u><u>\$148,238</u></u>

Source: Waverly City School District records.

TABLE 10

WAVERLY CITY SCHOOL DISTRICT
Computation of Direct and Overlapping Debt
June 30, 2003

<u>Governmental Unit</u>	<u>General Obligation Debt (1)</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct:			
Waverly City School District	\$7,617,714	100.00%	\$7,617,714
Overlapping:			
Pike County Joint Vocational School	<u>70,000</u>	<u>39.00%</u>	<u>27,300</u>
Total direct and overlapping debt:	<u><u>\$7,687,714</u></u>		<u><u>\$7,645,014</u></u>

Source: Pike County Auditor

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

TABLE 11

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Ratio of Debt Service to General Expenditures (%)</u>
1994	\$40,000	\$7,350	\$47,350	\$8,418,857	0.56
1995	\$40,000	\$5,250	\$45,250	\$9,221,881	0.49
1996	\$40,000	\$3,150	\$43,150	\$9,329,195	0.46
1997	\$40,000	\$1,050	\$41,050	\$10,604,336	0.39
1998	\$0	\$0	\$0	\$10,370,295	0.00
1999	\$0	\$0	\$0	\$11,797,870	0.00
2000	\$0	\$0	\$0	\$13,742,310	0.00
2001	\$0	\$0	\$0	\$14,096,976	0.00
2002	\$0	\$355,870	\$355,870	\$18,326,099	1.94
2003	\$170,000	\$365,803	\$535,803	\$34,065,360	1.57

Source: Waverly City School District records.

WAVERLY CITY SCHOOL DISTRICT

Demographic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Pike County Population (1)</u>	<u>Population of District (1)</u>	<u>School Enrollment (2)</u>
1994	24,249	5,084	2,169
1995	24,249	5,084	2,115
1996	24,249	5,084	2,064
1997	24,249	5,084	2,130
1998	24,249	5,084	2,107
1999	24,249	5,084	2,093
2000	27,695	4,433	2,112
2001	27,695	4,433	2,082
2002	27,695	4,433	2,050
2003	27,695	4,433	2,066

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

2000 through 2003 population data from
2000 U.S. census.

(2) Waverly City School District

(3) Ohio Department of Jobs and Family Services -
Data for 2001 through 2003 based upon
June 2001 through 2003.
Prior Years based on annual averages.

TABLE 12

<u>Unemployment Rate Pike County (3)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Unemployment Rate U.S.A (3)</u>
11.00%	5.50%	6.10%
8.80	4.80	5.60
9.10	4.90	5.40
9.10	4.60	4.90
8.80	4.40	4.70
11.70	4.36	4.42
7.10	3.90	4.10
7.70	5.70	6.30
6.40	5.70	5.40
10.70	6.30	6.40

TABLE 13

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

<u>Year</u>	<u>Value of Permits Issued (1)</u>	<u>County Bank Deposits (2) (in thousands)</u>	<u>Property Values (3)</u>
1994	\$1,061,990	\$93,127	\$67,752,070
1995	\$1,378,200	\$97,573	\$70,587,280
1996	\$2,015,770	\$100,565	\$71,845,890
1997	\$1,535,060	\$107,546	\$78,964,110
1998	\$1,150,440	\$127,298	\$78,017,170
1999	\$1,325,080	\$127,973	\$80,312,350
2000	\$1,438,590	\$135,918	\$104,556,410
2001	\$1,451,350	\$146,843	\$104,309,730
2002	\$1,951,635	\$136,756	\$103,127,340
2003	\$1,140,000	\$137,148	\$113,872,000

Sources: (1) Pike County Auditor

(2) Federal Reserve Bank of Cleveland

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

TABLE 14***WAVERLY CITY SCHOOL DISTRICT***

Top Ten Principal Taxpayers
Real Property (1)

Name of Taxpayer	Total Assessed Valuation	% of Total School District Assessed Valuation
National Church Residences	\$10,889,730	9.56%
Mills Pride Limited	\$2,801,890	2.46%
Wal-Mart Stores, Inc.	\$1,254,120	1.10%
HTW Associates, Ltd.	\$754,070	0.66%
Pinehurst, Ltd.	\$550,250	0.48%
Wausau Homes, Inc.	\$475,110	0.42%
Parker Hannifin Corporation	\$472,690	160.39%
Clough Commons, Ltd.	\$471,370	0.41%
Emmett Station, Ltd.	\$338,150	0.30%
Waverly Manor Association	\$294,710	0.26%
Total Principal Taxpayers	\$18,302,090	16.07%
Total School District	\$113,872,000	100.00%

Source: Pike County Auditor.

(1) Taxpayers and amounts are for fiscal year 2003.

TABLE 15**WAVERLY CITY SCHOOL DISTRICT**

Miscellaneous Statistical Data

June 30, 2003

<u>School</u>	<u>Grade Levels</u>	<u>Enrollment</u>
East Elementary	PK-2	436
West Intermediate	3-5	488
North Junior High	6-8	500
Waverly High School	9-12	642
Total		<u><u>2,066</u></u>
<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	9	7.25%
Bachelor +15	34	24.64
Masters	49	39.85
Masters +15	31	28.26
Total	<u><u>123</u></u>	<u><u>100.00%</u></u>
<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	20	15.22%
6 - 10	28	23.91
11 - 15	24	17.39
16 - 20	12	11.59
21 - 25	14	11.59
26 and over	25	20.30
Total	<u><u>123</u></u>	<u><u>100.00%</u></u>

Source: Waverly City School records

TABLE 16***WAVERLY CITY SCHOOL DISTRICT***Per Pupil Cost
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
1994	\$6,849,966	2,169	\$3,158
1995	\$7,356,589	2,115	\$3,478
1996	\$7,429,591	2,064	\$3,600
1997	\$7,973,294	2,130	\$3,743
1998	\$8,499,571	2,107	\$4,034
1999	\$9,107,326	2,093	\$4,351
2000	\$10,628,632	2,112	\$5,032
2001	\$10,642,906	2,082	\$5,112
2002	\$11,083,809	2,050	\$5,407
2003	\$11,555,152	2,066	\$5,593

Source: Waverly City School District records.

WAVERLY CITY SCHOOL DISTRICT

Enrollment
Last Ten Fiscal Years

<u>Year</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
1994	158	189	144	149	146	162	191
1995	159	181	156	137	143	139	170
1996	150	178	148	149	136	148	147
1997	143	178	168	147	158	140	157
1998	148	184	157	180	144	161	153
1999	164	152	153	163	156	159	160
2000	180	161	152	159	165	165	157
2001	166	181	168	154	166	158	172
2002	159	154	181	157	152	170	161
2003	133	148	155	177	155	156	173

Source: Waverly City School District records.

TABLE 17

<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
195	175	181	155	163	161	2,169
178	185	178	162	140	187	2,115
162	182	200	161	140	163	2,064
145	165	209	191	159	170	2,130
147	140	189	168	169	167	2,107
154	151	161	168	158	194	2,093
161	161	156	149	166	180	2,112
161	148	165	138	149	156	2,082
161	155	169	158	146	127	2,050
168	159	173	171	160	138	2,066



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

WAVERLY CITY SCHOOL DISTRICT

PIKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 4, 2004**