



Mary Taylor, CPA
Auditor of State

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, 2007**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE <i>Passed through the Ohio Department of Education</i>						
Food Donation	10.550	N/A	\$	\$ 24,318	\$	\$ 24,318
Nutrition Cluster:						
School Breakfast Program	10.553	05-PU-2006 05-PU20-07	13,970 <u>71,281</u>		13,970 <u>71,281</u>	
Total School Breakfast Program			<u>85,251</u>	<u>0</u>	<u>85,251</u>	<u>0</u>
National School Lunch Program	10.555	LL-P4-2006 LL-P4-2007	40,503 <u>209,509</u>		40,503 <u>209,509</u>	
Total National School Lunch Program			<u>250,012</u>	<u>0</u>	<u>250,012</u>	<u>0</u>
Total Nutrition Cluster			<u>335,263</u>		<u>335,263</u>	
Total United States Department of Agriculture			<u>335,263</u>	<u>24,318</u>	<u>335,263</u>	<u>24,318</u>
UNITED STATES DEPARTMENT OF EDUCATION <i>Passed through the Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	84.010	C1-S1-2006 C1-S1-2007	67,287 <u>448,157</u>		93,644 <u>433,929</u>	
Total Title I Grants to Local Educational Agencies			<u>515,444</u>	<u>0</u>	<u>527,573</u>	<u>0</u>
Special Education - Grants to States	84.027	6B-SF-2006 6B-SF-2007	(4,465) <u>442,808</u>		169,567 <u>407,653</u>	
Total Special Education - Grants to States			<u>438,343</u>	<u>0</u>	<u>577,220</u>	<u>0</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	DR-S1-2006 DR-S1-2007	6,618 <u>8,011</u>		8,577 <u>6,681</u>	
Total Safe and Drug-Free Schools and Communities - State Grants			<u>14,629</u>	<u>0</u>	<u>15,258</u>	<u>0</u>
State Grants for Innovative Programs	84.298	C2-S1-2006 C2-S1-2007	6,060 <u>343</u>		6,734 <u>0</u>	
Total State Grants for Innovative Programs			<u>6,403</u>	<u>0</u>	<u>6,734</u>	<u>0</u>
Education Technology State Grants	84.318	TJ-S1-2006 TJ-S1-2007			934 <u>1,316</u>	
Total Education Technology State Grants			<u>1,808</u>	<u>0</u>	<u>2,250</u>	<u>0</u>
Improving Teacher Quality State Grants	84.367	TR-S1-2006 TR-S1-2007	31,915 <u>141,395</u>		15,923 <u>141,282</u>	
Total Improving Teacher Quality State Grants			<u>173,310</u>	<u>0</u>	<u>157,205</u>	<u>0</u>
Total United States Department of Education			<u>1,149,937</u>	<u>0</u>	<u>1,286,240</u>	<u>0</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Passed through Ohio Department of Job and Family Services</i>						
Head Start	93.600	HTA1-2007	<u>112</u>		<u>112</u>	
Total United States Department of Health and Human Services			<u>112</u>	<u>0</u>	<u>112</u>	<u>0</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 1,485,312</u>	<u>\$ 24,318</u>	<u>\$ 1,621,615</u>	<u>\$ 24,318</u>

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

**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL THE YEAR ENDED JUNE 30, 2007**

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

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D – NEGATIVE RECEIPTS

Special Education Grants, CFDA #84.027, funds in the amount of \$4,465 were carried over from 2006 to the next program year, resulting in negative receipts of \$4,465.



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio (the School District), as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the School District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the School District's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the School District's management in a separate letter dated December 21, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the School District's management in a separate letter dated December 21, 2007.

We intend this report solely for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 21, 2007



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Waverly City School District, Pike County, Ohio (the School District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2007. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the School District's major federal program. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Government's compliance based on our audit.

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

In our opinion, the Waverly City School District, Pike County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School District's ability to administer a federal program such that there is more than a remote likelihood that the School District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the School District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

Schedule of Federal Awards Receipts and Expenditures

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 21, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

December 21, 2007

**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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 significant deficiencies in internal control 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 significant deficiencies in internal control 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 BASIC PURPOSE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

There were no findings required to be reported.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings required to be reported.

WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Ohio Rev. Code Section 5705.39 – Appropriations exceeded estimated resources.	No	Partially Corrected – Reissued as a management letter comment in the current audit.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2007



WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Issued by:

Treasurer's Office

Rebecca L. Peden, Treasurer/Chief Financial Officer

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WAVERLY CITY SCHOOL DISTRICT

INTRODUCTORY SECTION



Waverly City School District
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Waverly City Schools

Board of Education:

*Randy Armbruster, President
Sharon Manson, Vice President
John Boyer
Kristen Boyer
Gary Towler*

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Waverly, Ohio 45690
(740) 947-4770
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www.waverly.k12.oh.us*

December 21, 2007

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, 2007. This Comprehensive Annual Financial Report, which contains financial statements, supplemental statements and statistical information, conforms to generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the School District for the 2007 fiscal year.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the school districts reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the Waverly City School District's financial statements for the fiscal year ended June 30, 2007. The independent accountants' report is located at the front of the Financial Section of this report.

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

PROFILE OF THE GOVERNMENT AND REPORTING ENTITY

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

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

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

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

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

The School District participates in four jointly governed organizations and two insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), the Pike County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Plan and the Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the basic financial statements.

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

ECONOMIC CONDITION AND OUTLOOK

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

Pike County is a rural community in Southern Ohio with a relatively high unemployment rate. The unemployment rate has risen from a low of 6.4 percent in 2002 to the 2007 rate of 10.0 percent. The estimated population of Pike County in 2006 was 28,269. Population projections for Pike County are indicating slight growth with 29,770 projected for 2010 and 31,560 projected for 2030. A new centrifuge facility planned for the County, which will create up to 500 new jobs, could increase the projected population growth. While not located in the Waverly City School District, the new facility should bring new residents to the School District.

FINANCIAL TRENDS

For the 2006-2007 and 2007-2008 school years, the School district negotiated a 0.5 percent salary increase for the certificated staff. Negotiations with the non-certificated staff resulted in a salary freeze for the 2006-2007 school year and a 0.75 percent increase for the 2007-2008 school year. The administrative staff received no salary increase for the 2006-2007 school year and a salary freeze continues for the 2007-2008 school year.

During fiscal year 2007, the School District placed an earned income tax levy on the ballot, which was rejected by the voters. As a result, the School District continues to cut costs through elimination of positions through attrition and by slashing budgets for supplies and equipment.

FINANCIAL PLANNING AND POLICIES

The School District plans to continue decreasing expenditures through attrition whenever possible. Currently the School District has no immediate levy plans but all options are being considered.

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

THE DISTRICT AND ITS FACILITIES

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

The School District served 2,119 students during the 2007 fiscal year. Facilities include one high school, one junior high school, and two elementary schools, one of which includes a preschool. Enrollment is projected to remain steady with slight increases. The enrollment per school is as follows:

<u>School</u>	<u>Grades</u>	<u>Enrollment</u>
Waverly Primary	K-2	462
Waverly Intermediate	3-5	462
Waverly Junior High	6-8	507
Waverly High School	9-12	688

MAJOR INITIATIVES

The School District achieved a rating of Continuous Improvement on the State Report Card. The Primary, Intermediate, and High Schools were designated as effective with the Junior High School maintaining its continuous improvement status.

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

AWARDS AND ACKNOWLEDGEMENTS

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Waverly City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO CERTIFICATE OF EXCELLENCE

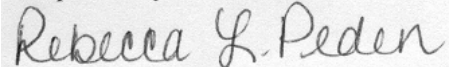
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Waverly City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006.

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

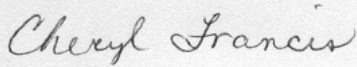
ACKNOWLEDGMENTS

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

Respectfully submitted,



Rebecca L. Peden
Treasurer



Cheryl Francis
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Waverly City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

WAVERLY CITY SCHOOL DISTRICT

**For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2006**

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, 2007

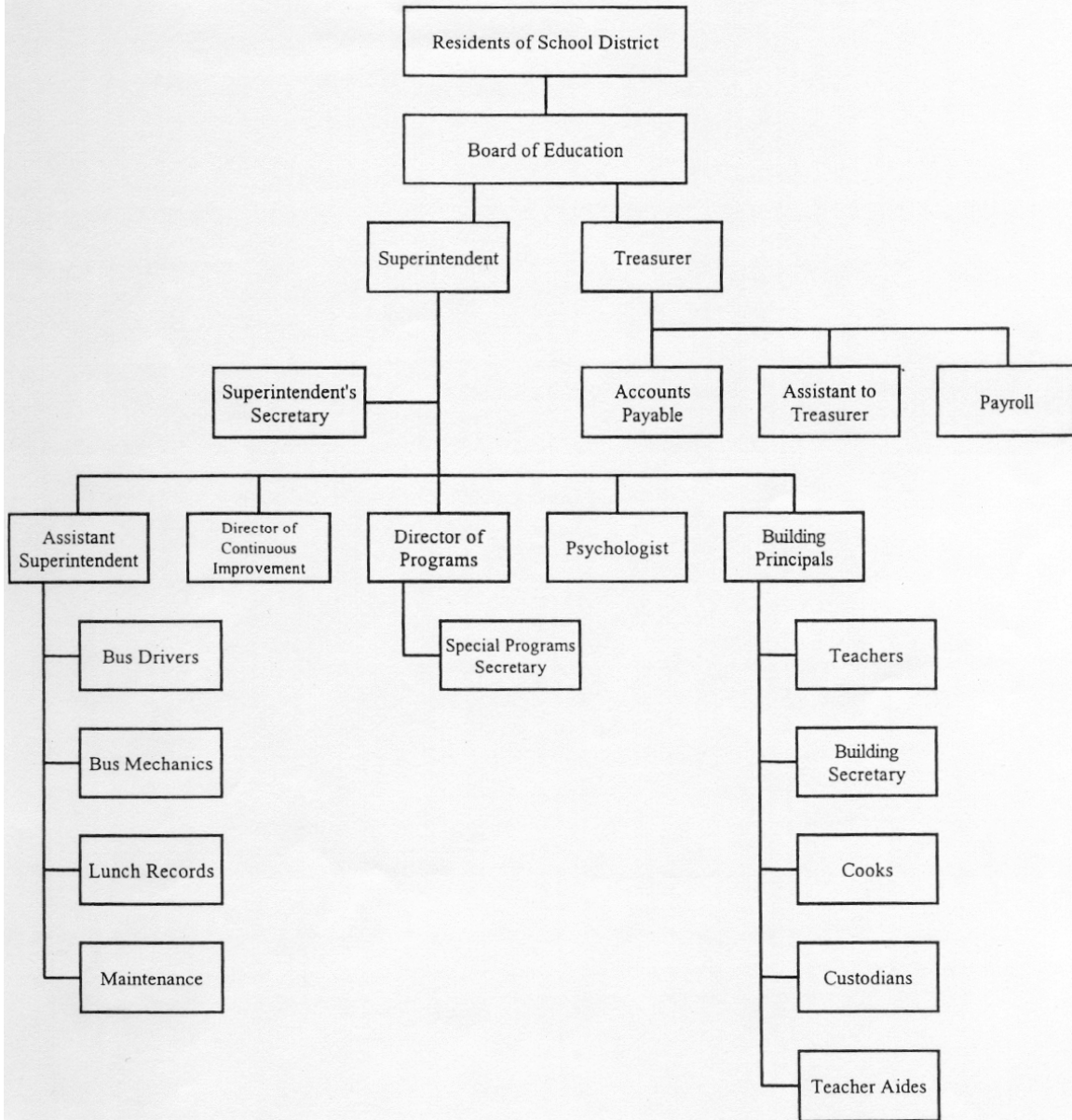
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

Waverly City School District



WAVERLY CITY SCHOOL DISTRICT

FINANCIAL SECTION





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio (the School District), as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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, 2007, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2007, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 21, 2007

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
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, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Government-wide Financial Statements

Financial Highlights

- The assets of Waverly City School District exceeded its liabilities at June 30, 2007 by \$41,350,139.
- In total, net assets decreased by \$1,337,985.
- General revenues accounted for \$15,434,001 or 81 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,705,636 or 19 percent of total revenues of \$19,139,637.
- The School District had \$20,477,622 in expenses related to governmental activities; only \$3,705,636 of these expenses were offset by program specific charges for services and sales, grants or contributions.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
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 fiscal year 2007?” The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District’s financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year’s revenues and expenses regardless of when cash is received or paid.

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 8. Fund financial statements provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s major funds. The major funds for the Waverly City School District are the General Fund and Debt Service Fund.

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

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
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 fiscal years 2007 and 2006:

(Table 1)
Net Assets
Governmental Activities

	2007	2006	Change
Assets			
Current and Other Assets	\$10,117,760	\$10,565,528	(\$447,768)
Capital Assets	47,044,139	49,089,121	(2,044,982)
Total Assets	<u>57,161,899</u>	<u>59,654,649</u>	<u>(2,492,750)</u>
Liabilities			
Long-Term Liabilities	(10,342,612)	(10,626,952)	284,340
Other Liabilities	(5,469,148)	(6,339,573)	870,425
Total Liabilities	<u>(15,811,760)</u>	<u>(16,966,525)</u>	<u>1,154,765</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	38,033,116	39,938,314	(1,905,198)
Restricted	1,780,415	1,568,752	211,663
Unrestricted	1,536,608	1,181,058	355,550
Total Net Assets	<u>\$41,350,139</u>	<u>\$42,688,124</u>	<u>(\$1,337,985)</u>

Total assets decreased \$2,492,750. Capital assets decreased \$2,044,982 primarily due to depreciation recognized during fiscal year 2007.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Table 2 shows the changes in net assets for fiscal years 2007 and 2006.

(Table 2)
Change in Net Assets

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for Services and Sales	\$1,132,362	\$997,744	\$134,618
Operating Grants and Contributions	2,567,524	2,502,358	65,166
Capital Grants and Contributions	5,750	29,248	(23,498)
Total Program Revenues	<u>3,705,636</u>	<u>3,529,350</u>	<u>176,286</u>
General Revenues:			
Property Taxes	4,611,373	4,862,802	(251,429)
Grants and Entitlements not Restricted to Specific Programs	10,409,389	10,556,430	(147,041)
Payments in Lieu of Taxes	79,508	162,912	(83,404)
Investment Earnings	123,745	112,719	11,026
Unrestricted Gifts and Donations	2,054	5,310	(3,256)
Miscellaneous	207,932	120,852	87,080
Total General Revenues	<u>15,434,001</u>	<u>15,821,025</u>	<u>(387,024)</u>
Total Revenues	<u>\$19,139,637</u>	<u>\$19,350,375</u>	<u>(\$210,738)</u>

(continued)

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

(Table 2)
Change in Net Assets
(continued)

	2007	2006	Change
Program Expenses			
Instruction:			
Regular	\$9,386,064	\$9,571,763	(\$185,699)
Special	1,494,042	1,556,186	(62,144)
Vocational	156,332	163,007	(6,675)
Student Intervention Services	270,876	0	270,876
Support Services:			
Pupils	1,013,553	980,844	32,709
Instructional Staff	1,467,084	1,600,404	(133,320)
Board of Education	48,623	55,275	(6,652)
Administration	1,294,677	1,291,218	3,459
Fiscal	447,155	521,358	(74,203)
Operation and Maintenance of Plant	1,856,356	1,842,924	13,432
Pupil Transportation	1,124,930	1,010,008	114,922
Central	8,095	7,563	532
Operation of Non-Instructional Services:			
Food Services	882,912	900,462	(17,550)
Other	47,449	43,420	4,029
Extracurricular Activities	558,347	514,390	43,957
Interest and Fiscal Charges	421,127	415,770	5,357
Total Expenses	<u>20,477,622</u>	<u>20,474,592</u>	<u>3,030</u>
Decrease in Net Assets	(1,337,985)	(1,124,217)	(213,768)
Net Assets at Beginning of Year	<u>42,688,124</u>	<u>43,812,341</u>	<u>(1,124,217)</u>
Net Assets at End of Year	<u><u>\$41,350,139</u></u>	<u><u>\$42,688,124</u></u>	<u><u>(\$1,337,985)</u></u>

Governmental Activities

Grants and Entitlements made up 67 percent of general revenues for governmental activities of the Waverly City School District for fiscal year 2007. The Ohio School Facilities Commission Program provided 82 percent of the funding for our construction project. The School District is benefiting from State funding received for instructional purposes, professional development and facilities construction.

Instruction comprises 55 percent of governmental program expenses. Support services expenses make up 35 percent of governmental expenses.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

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

(Table 3)
Governmental Activities

	Total Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2007	Net Cost of Services 2006
Instruction	\$11,307,314	\$11,290,956	(\$9,247,596)	(\$9,265,727)
Support Services	7,260,473	7,309,594	(6,632,594)	(6,678,554)
Operation of Non-				
Instructional Services	930,361	943,882	(221,502)	(251,242)
Extracurricular Activities	558,347	514,390	(249,167)	(333,949)
Interest and Fiscal Charges	421,127	415,770	(421,127)	(415,770)
Total Expenses	<u>\$20,477,622</u>	<u>\$20,474,592</u>	<u>(\$16,771,986)</u>	<u>(\$16,945,242)</u>

Program revenues increased by \$176,286. Charges for sales and services increased by \$134,618 due to an increase in fundraising activities by extracurricular groups. Property taxes decreased by \$251,429 due to the phase-out of tangible personal property taxes. Grants and entitlements not restricted for specific purposes decreased by \$147,041 due to the discontinuation of the Community Alternative Funding Program.

Program expenses increased by \$3,030. Instructional staff decreased by \$133,320 due to the elimination of positions through attrition.

The School District's Funds

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,118,352 and expenditures of \$18,856,496. The net changes in fund balance for the fiscal year in the General Fund and the Debt Service Fund was an increase of \$246,418 and \$169,699, respectively. This was due to budget cuts made in the General Fund. The increase in the Debt Service Fund was due to property tax collections that exceeded principal, interest and fiscal charges paid on long-term obligations, combined with transfers in for future debt service payments.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

General Fund revenues increased in fiscal year 2007 by \$47,000, due primarily to an increase in State funding. General Fund expenditures decreased in fiscal year 2007 by \$94,946, due primarily to a decrease in instructional staff through attrition. Pupil transportation also decreased by \$85,340 due to attrition.

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 2007 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 22, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

The School District's ending unobligated cash balance was \$15,083 above the final budgeted amount in the General Fund.

For the General Fund, original budgeted revenues were \$16,281,586 and final budgeted revenues were \$14,107,900. This represents a decrease in estimated revenue of \$2,173,686, which was due to the School District not receiving the June personal property tax settlement until July, combined with the phase out of personal property. Estimates for intergovernmental revenue decreased due to the School District receiving less State funding than was originally anticipated. The difference between actual budget basis revenues and final budgeted revenues was \$11,469.

Original budgeted expenditures in the General Fund were \$14,414,448 and final budgeted expenditures were \$14,484,734. This represents an increase in estimated expenditures of \$70,286, which was due primarily to increases in regular and special instruction due to insurance cost increases. The difference between actual budget basis expenditures and final budgeted expenditures was \$614.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007 the School District had \$47,044,139 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and books and educational media. Table 4 shows fiscal year 2007 balances compared to 2006:

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

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

	2007	2006
Land	\$848,500	\$848,500
Land Improvements	2,907,399	3,076,169
Buildings and Improvements	41,022,161	42,489,648
Furniture and Equipment	1,239,390	1,363,627
Vehicles	480,644	609,120
Books and Educational Media	546,045	702,057
Totals	\$47,044,139	\$49,089,121

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

For more information on capital assets, refer to Note 8 in the notes to the basic financial statements.

Debt

At June 30, 2007, the School District had \$7,641,597 in bonds and loans outstanding, which included \$137,915 of accretion on capital appreciation bonds outstanding, bond premiums of \$404,266 and a deferred gain on refunding of \$280,456. \$405,539 of the bonds and loans outstanding represent the amounts due within one year. Table 5 summarizes bonds and loans outstanding:

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

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

	2007	2006
Loans Payable:		
1998 Energy Conservation Loan	\$255,125	\$333,005
General Obligation Bonds:		
2001 Classroom Facilities Bonds	1,403,693	7,374,082
Accretion on Capital		
Appreciation Bonds	134,761	223,905
General Obligation Bonds:		
2006 Classroom Facilities Bonds	6,125,320	0
Accretion on Capital		
Appreciation Bonds	3,154	0
Deferred Gain on Refunding	(280,456)	0
Totals	\$7,641,597	\$7,930,992

The School District's overall legal debt margin was \$8,164,917, with an unvoted debt margin of \$157,928, and an Energy Conservation debt margin of \$1,166,224 at June 30, 2007.

For more information on debt, refer to Note 13 in the notes to the basic financial statements.

Current Issues

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

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Rebecca L. Peden, Treasurer/Chief Financial Officer of Waverly City Board of Education, 1 Tiger Drive, Waverly, OH 45690 or e-mail at bpeden_wc@scoca-k12.org.

Basic Financial Statements

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Waverly City School District

Statement of Net Assets

June 30, 2007

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$4,774,846
Cash and Cash Equivalents	
With Escrow Agents	2,850
Accrued Interest Receivable	21,218
Prepaid Items	11,016
Materials and Supplies Inventory	9,408
Intergovernmental Receivable	233,373
Property Taxes Receivable	4,941,328
Deferred Charges	123,721
Capital Assets:	
Land	848,500
Depreciable Capital Assets, Net	<u>46,195,639</u>
<i>Total Assets</i>	<u>57,161,899</u>
<u>Liabilities:</u>	
Accounts Payable	48,681
Contracts Payable	44,300
Accrued Wages Payable	1,441,372
Matured Compensated Absences Payable	61,388
Intergovernmental Payable	425,927
Deferred Revenue	3,418,336
Undistributed Monies	202
Accrued Interest Payable	26,092
Retainage Payable	2,850
Long-Term Liabilities:	
Due Within One Year	545,248
Due Within More Than One Year	<u>9,797,364</u>
<i>Total Liabilities</i>	<u>15,811,760</u>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	38,033,116
Restricted for:	
Capital Projects	276,606
Debt Service	706,469
Set-Asides	57,076
Other Purposes	740,264
Unrestricted	<u>1,536,608</u>
<i>Total Net Assets</i>	<u><u>\$41,350,139</u></u>

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
<u>Governmental Activities:</u>			
Instruction:			
Regular	\$9,386,064	\$575,170	\$386,128
Special	1,494,042	0	1,060,710
Vocational	156,332	0	37,710
Student Intervention Services	270,876	0	0
Support Services:			
Pupils	1,013,553	4,845	27,139
Instructional Staff	1,467,084	19,380	383,442
Board of Education	48,623	0	0
Administration	1,294,677	0	138,221
Fiscal	447,155	0	0
Operation and Maintenance of Plant	1,856,356	2,830	0
Pupil Transportation	1,124,930	0	52,022
Central	8,095	0	0
Operation of Non-Instructional Services:			
Food Services	882,912	246,524	407,756
Other	47,449	0	54,579
Extracurricular Activities	558,347	283,613	19,817
Interest and Fiscal Charges	421,127	0	0
<i>Total Governmental Activities</i>	<u>\$20,477,622</u>	<u>\$1,132,362</u>	<u>\$2,567,524</u>

General Revenues:

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Payments in Lieu of Taxes

Investment Earnings

Unrestricted Gifts and Donations

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year

Net Assets at End of Year

See accompanying notes to the basic financial statements

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
\$0	(\$8,424,766)
0	(433,332)
0	(118,622)
0	(270,876)
0	(981,569)
0	(1,064,262)
0	(48,623)
0	(1,156,456)
0	(447,155)
0	(1,853,526)
0	(1,072,908)
0	(8,095)
0	(228,632)
0	7,130
5,750	(249,167)
0	(421,127)
<u>\$5,750</u>	<u>(16,771,986)</u>

3,878,179
657,463
75,731
10,409,389
79,508
123,745
2,054
207,932
15,434,001
(1,337,985)
42,688,124
\$41,350,139

Waverly City School District

*Balance Sheet
Governmental Funds
June 30, 2007*

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,961,941	\$548,902	\$1,206,927	\$4,717,770
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	57,076	0	0	57,076
Cash and Cash Equivalents with Escrow Agents	0	0	2,850	2,850
Receivables:				
Property Taxes	4,163,668	697,748	79,912	4,941,328
Intergovernmental	0	0	233,373	233,373
Accrued Interest	21,218	0	0	21,218
Interfund Receivable	9,708	0	0	9,708
Prepaid Items	8,448	0	2,568	11,016
Materials and Supplies Inventory	0	0	9,408	9,408
<i>Total Assets</i>	<u>\$7,222,059</u>	<u>\$1,246,650</u>	<u>\$1,535,038</u>	<u>\$10,003,747</u>
 <u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$41,141	\$0	\$7,742	\$48,883
Contracts Payable	0	0	44,300	44,300
Accrued Wages Payable	1,153,213	0	288,159	1,441,372
Matured Compensated Absences Payable	61,388	0	0	61,388
Retainage Payable	0	0	2,850	2,850
Interfund Payable	0	0	9,708	9,708
Intergovernmental Payable	351,684	0	74,243	425,927
Deferred Revenue	3,061,301	530,465	236,598	3,828,364
<i>Total Liabilities</i>	<u>4,668,727</u>	<u>530,465</u>	<u>663,600</u>	<u>5,862,792</u>
 <u>Fund Balances:</u>				
Reserved for Encumbrances	241,662	0	86,419	328,081
Reserved for Property Taxes	692,419	111,381	13,605	817,405
Reserved for Budget Stabilization	57,076	0	0	57,076
Unreserved:				
Undesignated, Reported in:				
General Fund	1,562,175	0	0	1,562,175
Special Revenue Funds	0	0	494,808	494,808
Debt Service Fund	0	604,804	0	604,804
Capital Projects Funds	0	0	276,606	276,606
<i>Total Fund Balances</i>	<u>2,553,332</u>	<u>716,185</u>	<u>871,438</u>	<u>4,140,955</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,222,059</u>	<u>\$1,246,650</u>	<u>\$1,535,038</u>	<u>\$10,003,747</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, 2007*

Total Governmental Fund Balances \$4,140,955

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

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

Land	848,500	
Capital assets	53,987,456	
Accumulated depreciation	(7,791,817)	
Total capital assets	47,044,139	47,044,139

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	232,284	
Intergovernmental	177,744	
	410,028	410,028

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. 123,721

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

Bonds and loans payable	(7,379,872)	
Accretion on capital appreciation bonds	(137,915)	
Premium on debt issue	(404,266)	
Deferred gain on refunding	280,456	
Accrued interest on bonds	(26,092)	
Capital leases	(1,650,000)	
Compensated absences	(1,051,015)	
Total liabilities	(10,368,704)	(10,368,704)

Net Assets of Governmental Activities \$41,350,139

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, 2007

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$3,927,357	\$665,114	\$76,614	\$4,669,085
Intergovernmental	9,922,163	92,552	2,863,384	12,878,099
Interest	123,208	0	537	123,745
Tuition and Fees	564,795	0	34,600	599,395
Extracurricular Activities	0	0	283,613	283,613
Customer Services	0	0	246,524	246,524
Rent	2,830	0	0	2,830
Gifts and Donations	7,804	0	19,817	27,621
Payment in Lieu of Taxes	79,508	0	0	79,508
Miscellaneous	102,190	6,147	99,595	207,932
<i>Total Revenues</i>	<u>14,729,855</u>	<u>763,813</u>	<u>3,624,684</u>	<u>19,118,352</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,269,776	0	980,045	8,249,821
Special	844,539	0	489,620	1,334,159
Vocational	150,173	0	0	150,173
Student Intervention Services	0	0	270,876	270,876
Support Services:				
Pupils	875,620	0	48,941	924,561
Instructional Staff	550,036	0	554,237	1,104,273
Board of Education	48,623	0	0	48,623
Administration	1,022,247	0	201,675	1,223,922
Fiscal	390,620	19,934	2,237	412,791
Operation and Maintenance of Plant	1,731,281	0	118,513	1,849,794
Pupil Transportation	954,717	0	26,740	981,457
Central	8,095	0	0	8,095
Operation of Non-Instructional Services:				
Food Services	0	0	757,305	757,305
Other	4,573	0	42,876	47,449
Extracurricular Activities	281,736	0	272,712	554,448
Capital Outlay	5,908	0	83,803	89,711
Debt Service:				
Principal Retirement	0	224,031	0	224,031
Interest and Fiscal Charges	74,250	308,655	0	382,905
Interest on Capital Appreciation Bonds	0	133,847	0	133,847
Bond Issuance Costs	0	108,255	0	108,255
<i>Total Expenditures</i>	<u>14,212,194</u>	<u>794,722</u>	<u>3,849,580</u>	<u>18,856,496</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>517,661</u>	<u>(30,909)</u>	<u>(224,896)</u>	<u>261,856</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	1,000	0	0	1,000
Refunding Bonds Issued	0	5,739,992	0	5,739,992
Premium on Debt Issue	0	398,013	0	398,013
Payment to Refunded Bond Escrow Agent	0	(6,029,750)	0	(6,029,750)
Transfers In	0	92,353	179,890	272,243
Transfers Out	(272,243)	0	0	(272,243)
<i>Total Other Financing Sources (Uses)</i>	<u>(271,243)</u>	<u>200,608</u>	<u>179,890</u>	<u>109,255</u>
<i>Net Change in Fund Balances</i>	246,418	169,699	(45,006)	371,111
<i>Fund Balances at Beginning of Year</i>	<u>2,306,914</u>	<u>546,486</u>	<u>916,444</u>	<u>3,769,844</u>
<i>Fund Balances at End of Year</i>	<u>\$2,553,332</u>	<u>\$716,185</u>	<u>\$871,438</u>	<u>\$4,140,955</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, 2007*

Net Change in Fund Balances - Total Governmental Funds \$371,111

**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	22,598	
Depreciation expense	(2,064,951)	
Excess of capital outlay over depreciation expense		(2,042,353)

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	(1,000)	
Loss on disposal of capital assets	(1,629)	
		(2,629)

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

Delinquent Property Taxes	(57,712)	
Intergovernmental	78,997	
		21,285

Bond proceeds and bond premiums are reported as other financing sources and uses in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.

Proceeds of bonds	(5,739,992)	
Premium on bonds	(398,013)	
		(6,138,005)

Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the Statement of Activities. 108,255

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

Accretion on capital appreciation bonds	(47,857)	
Amortization of bond issuance costs	(6,688)	
Amortization of loss on refunding	(9,238)	
Amortization of bond premium	15,917	
Redemption of accretion on capital appreciation bonds	133,847	
		85,981

Repayment of long-term debt and payments to the refunded bond escrow agent are reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current fiscal year, these amounts consist of:

Loan principal retirement	77,880	
Bond principal retirement	146,151	
Payment to refunded bond escrow agent	6,029,750	
Total long-term debt repayment		6,253,781

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

Decrease in accrued interest payable	9,644
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Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(5,055)
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Change in Net Assets of Governmental Activities (\$1,337,985)

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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$4,305,502	\$3,348,531	\$3,348,531	\$0
Intergovernmental	11,029,632	9,919,635	9,919,635	0
Interest	104,603	82,607	94,076	11,469
Tuition and Fees	627,995	564,795	564,795	0
Rent	3,147	2,830	2,830	0
Gifts and Donations	8,677	7,804	7,804	0
Payments in Lieu of Taxes	88,405	79,508	79,508	0
Miscellaneous	113,625	102,190	102,190	0
<i>Total Revenues</i>	16,281,586	14,107,900	14,119,369	11,469
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,709,781	6,802,633	6,802,466	167
Special	781,706	883,816	883,816	0
Vocational	146,004	179,946	179,946	0
Other	504,720	522,300	522,300	0
Support Services:				
Pupils	830,763	880,192	880,192	0
Instructional Staff	644,111	562,340	562,340	0
Board of Education	61,454	51,018	51,018	0
Administration	963,869	962,374	962,374	0
Fiscal	454,743	389,689	389,242	447
Operation and Maintenance of Plant	1,844,284	1,845,340	1,845,340	0
Pupil Transportation	1,086,145	1,026,850	1,026,850	0
Central	13,057	9,465	9,465	0
Operation of Non-Instructional Services	5,346	4,571	4,571	0
Extracurricular Activities	293,281	282,565	282,565	0
Capital Outlay	75,184	7,385	7,385	0
Debt Service:				
Interest and Fiscal Charges	0	74,250	74,250	0
<i>Total Expenditures</i>	14,414,448	14,484,734	14,484,120	614
<i>Excess of Revenues Over (Under) Expenditures</i>	1,867,138	(376,834)	(364,751)	12,083
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	1,112	1,000	1,000	0
Refund of Prior Year Expenditures	2,811	2,528	2,528	0
Refund of Prior Year Receipts	(77,050)	0	0	0
Advances In	31,881	28,670	28,670	0
Advances Out	0	(9,708)	(9,708)	0
Transfers Out	(90,000)	(275,809)	(272,809)	3,000
<i>Total Other Financing Sources (Uses)</i>	(131,246)	(253,319)	(250,319)	3,000
<i>Net Change in Fund Balance</i>	1,735,892	(630,153)	(615,070)	15,083
<i>Fund Balance at Beginning of Year</i>	3,098,234	3,098,234	3,098,234	0
<i>Prior Year Encumbrances Appropriated</i>	241,077	241,077	241,077	0
<i>Fund Balance at End of Year</i>	\$5,075,203	\$2,709,158	\$2,724,241	\$15,083

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2007

Assets:

Equity in Pooled Cash and Cash Equivalents	<u><u>\$17,880</u></u>
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Liabilities:

Undistributed Monies	<u><u>\$17,880</u></u>
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See accompanying notes to the basic financial statements

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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 98 non-certificated employees, 132 certificated full-time teaching personnel and 13 administrative employees who provide services to 2,119 students and other community members. The School District currently operates four instructional buildings, one administrative building, and one garage.

Reporting Entity:

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

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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 16 and 17 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 usually distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District, however, has no business-type activities.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2007, the School District invested in the State Treasury Asset Reserve of Ohio (STAROhio), money market mutual funds, Federal Home Loan Mortgage Corporation Discount Notes, Federal National Mortgage Association Discount Notes, Federal National Mortgage Association Medium Term Notes, Federal Home Loan Bank Notes, Federal Home Loan Bank Bonds, Federal Home Loan Bank Step Up Coupon Bonds, and Federal Home Loan Bank Discount Notes. Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2007.

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 2007 amounted to \$123,208, which includes \$36,809 assigned from other School District funds.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the Other Governmental Funds represent amounts held for retainage. Restricted assets in the General Fund are amounts required by statute to be set-aside by the School District to create a reserve for budget stabilization. See Note 18 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 usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

J. Interfund Balances

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

K. Compensated Absences

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

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Accrued Liabilities and Long-Term Obligations

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

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

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 resources restricted for food service operations and music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

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

The government-wide Statement of Net Assets reports \$1,780,415 of restricted net assets, none of which were restricted by enabling legislation.

N. Fund Balance Reserves

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities.

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/ Interest on Capital Appreciation Bonds

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

On the governmental fund financial statements, bond premiums, issuance costs, and interest on capital appreciation bonds are recorded as expenditures when the debt becomes due.

Q. Estimates

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund. The School District did not anticipate any activity in the Underground Storage Tank and Teacher Development Special Revenue Funds and Permanent Improvement Capital Projects Fund, and none occurred. Therefore, no budgetary statements are presented for these funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that were in effect at the time the final appropriations were passed. Prior to fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end in all funds.

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2007, the Preschool, Title VI-B, Title I, Title VI-R, and Title II-D Nonmajor Special Revenue Funds had deficit fund balances of \$16,266, \$24,456, \$63,800, \$21,213 and \$3,317, 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, 2007

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

B. Compliance

The Food Services Special Revenue Fund and the Construction Capital Projects Fund had original appropriations in excess of original estimated resources plus available balances for the fiscal year ended June 30, 2007 in the amount of \$7,881 and \$315,621, respectively.

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

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

	Net Change in Fund Balance
GAAP Basis	\$246,418
Adjustments:	
Revenue Accruals	(598,236)
Net Increase in Fair Value of Investments - Fiscal Year 2006	6,864
Net Increase in Fair Value of Investments - Fiscal Year 2007	(16,586)
Expenditure Accruals	6,264
Encumbrances	(278,190)
Transfers	(566)
Advances	18,962
Budget Basis	(\$615,070)

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

Investments

As of June 30, 2007, the School District had the following investments, which are in an internal investment pool:

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-2
STAROhio	\$526,235	\$526,235	\$0
First American Treasury Obligation Money Market Mutual Fund	15,464	15,464	0
Federal Home Loan Mortgage Corporation Discount Notes	249,675	249,675	0
Federal National Mortgage Association Discount Notes	483,760	483,760	0
Federal National Mortgage Association Medium Term Notes	299,814	149,907	149,907
Federal Home Loan Bank Notes	1,232,709	734,303	498,406
Federal Home Loan Bank Bonds	124,610	0	124,610
Federal Home Loan Bank Step Up Coupon Bonds	149,625	149,625	0
Federal Home Loan Bank Discount Notes	399,080	399,080	0
Total Investments	<u>\$3,480,972</u>	<u>\$2,708,049</u>	<u>\$772,923</u>

Interest Rate Risk

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

Credit Risk

STAROhio carries a rating of AAAM by Standard and Poor's. The First American Treasury Obligation Money Market Fund, Federal Home Loan Mortgage Corporation Discount Notes, Federal National Mortgage Association Discount Notes, Federal National Mortgage Association Medium Term Notes, Federal Home Loan Bank Notes, Federal Home Loan Bank Bonds, Federal Home Loan Bank Step Up Coupon Bonds, and Federal Home Loan Bank Discount Notes carry a rating of Aaa by Moody's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk

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

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. Of the School District's total investments, 35 percent is invested in Federal Home Loan Bank Notes, 14 percent is invested in Federal National Mortgage Association Discount Notes, and 11 percent is invested in Federal Home Loan Bank Discount Notes.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2005, were levied after April 1, 2006, and are collected in 2007 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, 2007

NOTE 6 - PROPERTY TAXES (continued)

Tangible personal property tax revenue received during calendar year 2007 (other than public utility property tax) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out. The assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2007 tangible personal property tax was not received until July 2007.

The School District receives property taxes from Pike and Ross Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2007, are available to finance fiscal year 2007 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, 2007, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2007, was \$692,419 in the General Fund, \$111,381 in the Debt Service Fund, and \$13,605 in the Classroom Facilities Maintenance Special Revenue Fund. The amount available as an advance at June 30, 2006, was \$425,208 in the General Fund, \$72,633 in the Debt Service Fund, and \$8,311 in the Classroom Facilities Maintenance Special Revenue Fund.

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.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 6 - PROPERTY TAXES (continued)

The assessed values upon which fiscal year 2007 taxes were collected are:

	2006 Second- Half Collections		2007 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$145,545,350	79.73%	\$149,084,730	83.33%
Public Utility Personal	11,683,260	6.40%	10,889,950	6.09%
General Business Personal	25,322,842	13.87%	18,921,646	10.58%
Total Assessed Value	\$182,551,452	100.00%	\$178,896,326	100.00%
Tax rate per \$1,000 of assessed valuation	\$36.75		\$31.75	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2007, consisted of property taxes, intergovernmental grants, accrued interest, and interfund. All receivable amounts, except delinquent property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Lunchroom Reimbursement	\$55,629
Preschool	12,502
Miscellaneous State Grants	46,726
Title VI-B	64,282
Title I	44,526
Title V	3,090
Drug Free Schools	3,300
Title II-D	3,318
Total Intergovernmental Receivables	\$233,373

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 8 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2007, was as follows:

	Ending Balance 6/30/2006	Additions	Deletions	Ending Balance 6/30/2007
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated				
Land	\$848,500	\$0	\$0	\$848,500
Capital Assets Being Depreciated				
Land Improvements	3,696,743	0	0	3,696,743
Buildings and Improvements	45,637,042	0	0	45,637,042
Furniture and Equipment	1,736,233	22,598	(5,259)	1,753,572
Vehicles	1,964,024	0	0	1,964,024
Books and Educational Media	936,075	0	0	936,075
Total Capital Assets Being Depreciated	<u>53,970,117</u>	<u>22,598</u>	<u>(5,259)</u>	<u>53,987,456</u>
Less Accumulated Depreciation:				
Land Improvements	(620,574)	(168,770)	0	(789,344)
Buildings and Improvements	(3,147,394)	(1,467,487)	0	(4,614,881)
Furniture and Equipment	(372,606)	(144,206)	2,630	(514,182)
Vehicles	(1,354,904)	(128,476)	0	(1,483,380)
Books and Educational Media	(234,018)	(156,012)	0	(390,030)
Total Accumulated Depreciation	<u>(5,729,496)</u>	<u>(2,064,951)*</u>	<u>2,630</u>	<u>(7,791,817)</u>
Total Capital Assets Being Depreciated, Net	<u>48,240,621</u>	<u>(2,042,353)</u>	<u>(2,629)</u>	<u>46,195,639</u>
Governmental Activities Capital Assets, Net	<u>\$49,089,121</u>	<u>(\$2,042,353)</u>	<u>(\$2,629)</u>	<u>\$47,044,139</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 8 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,057,004
Special	146,196
Vocational	15,724
Support Services:	
Pupils	77,747
Instructional Staff	343,411
Administration	118,194
Fiscal	29,239
Operation and Maintenance of Plant	752
Pupil Transportation	137,152
Operation of Non-Instruction Services:	
Food Services	124,078
Extracurricular Activities	15,454
Total Depreciation Expense	<u>\$2,064,951</u>

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employee Retirement System

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

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 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, 2007, 2006 and 2005 were \$237,435, \$239,067 and \$246,778 respectively; 43.78 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling toll-free (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2006, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005 were \$1,029,227, \$1,022,231, and \$1,005,346 respectively; 83.58 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. Contributions to the DC and Combined Plans for fiscal year 2007 were \$7,052 made by the School District and \$10,714 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 of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2007, one member of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages.

NOTE 10 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certificated 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 funded on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$79,171 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS Ohio were \$282,743,000 and STRS Ohio had 119,184 eligible benefit recipients.

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 10 - POSTEMPLOYMENT BENEFITS (continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. 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 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$117,543.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care at June 30, 2006, (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants eligible to receive benefits.

NOTE 11 - EMPLOYEE BENEFITS

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 220 days for all certified and classified personnel. Upon retirement, payment is made to certified employees for 30 percent of accrued but unused sick leave. Classified employees receive 40 percent of accrued but unused sick leave up to a maximum of 55 days. Classified employees with a sick leave balance over 75 days will 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 the employee, depending on the terms of the union contract. Dental insurance is provided by Coresource.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 11 - EMPLOYEE BENEFITS (continued)

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

C. Deferred Compensation

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

NOTE 12 - LEASES - LESSEE DISCLOSURE

During fiscal year 2006, the School District entered into a lease-purchase agreement for the locally funded portion of the new School District buildings which was primarily related to the construction of an auditorium. The School District is leasing the project from Central Ohio Loan Services, Inc. Central Ohio Loan Services, Inc. will retain title to the project during the lease term. As part of the lease agreement, Central Ohio Loan Services, Inc. deposited \$1,650,000 in the School District's bank account. The School District had previously paid all contractors as work progressed, and the proceeds of the lease were used to replenish these monies. At fiscal year-end, the auditorium has been capitalized as buildings and improvements in the amount of \$1,650,000. A liability of \$1,650,000 was recorded on the Statement of Net Assets for governmental activities. In fiscal year 2007, the School District made its first interest-only payment of \$74,250. The first principal and interest payment is due March 1, 2008.

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

The book value of the assets acquired through capital leases are at June 30, 2007 is \$1,518,000.

	<u>Asset</u> Value	<u>Accumulated</u> Depreciation	<u>Net Book</u> Value
Auditorium	<u>\$1,650,000</u>	<u>\$132,000</u>	<u>\$1,518,000</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 12 - LEASES - LESSEE DISCLOSURE (continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2007.

Fiscal Year Ending June 30,	Total Payments
2008	\$131,022
2009	131,022
2010	131,022
2011	131,022
2012	131,022
2013-2017	655,110
2018-2022	655,110
2023-2026	524,090
Total	2,489,420
Less: Amount Representing Interest	(839,420)
Present Value of Net Minimum Lease Payments	\$1,650,000

The School District also leases computer equipment under a noncancelable operating lease. Operating lease payments are reported as function expenditures in governmental funds and on budgetary statements. Total operating lease payments in 2007 totaled \$86,444 in the General Fund.

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

Fiscal Year Ending June 30,	Total Payments
2008	\$86,444
2009	86,444
Total	\$172,888

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2007 were as follows:

	Amount Outstanding 6/30/06	Additions	Deductions	Amount Outstanding 6/30/07	Amounts Due in One Year
<u>Governmental Activities:</u>					
1998 Energy Conservation					
Loan - 4.35%	\$333,005	\$0	\$77,880	\$255,125	\$81,023
<u>General Obligation Bonds:</u>					
2001 Classroom Facilities:					
Term Bonds 5.10%	1,200,000	0	1,200,000	0	0
Serial Bonds 4.00 to 5.10%	5,795,000	0	4,540,000	1,255,000	0
Capital Appreciation					
Bonds 12.26%	275,906	0	146,151	129,755	129,755
Premium on Debt Issue	103,176	0	84,238	18,938	0
Accretion on Capital					
Appreciation Bonds	223,905	44,703	133,847	134,761	134,761
2006 Classroom Facilities					
Refunding Bonds:					
Serial Bonds 4.00%	0	5,380,000	0	5,380,000	60,000
Capital Appreciation					
Bonds 13.79%	0	359,992	0	359,992	0
Premium on Debt Issue	0	398,013	12,685	385,328	0
Accretion on Capital					
Appreciation Bonds	0	3,154	0	3,154	0
Deferred Gain on Refunding	0	(289,694)	(9,238)	(280,456)	0
Compensated Absences	1,045,960	133,460	128,405	1,051,015	82,937
Capital Leases	1,650,000	0	0	1,650,000	56,772
Total Governmental Activities					
Long-Term Obligations	<u>\$10,626,952</u>	<u>\$6,029,628</u>	<u>\$6,313,968</u>	<u>\$10,342,612</u>	<u>\$545,248</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.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

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:

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

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

The capital appreciation bonds, issued at \$275,906, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2007 and 2008, with a maturity amount of \$280,000 each year. For fiscal year 2007, the capital appreciation bonds were accreted \$44,703.

In fiscal year 2007, \$4,540,000 of the serial bonds and the \$1,200,000 of term bonds were advance refunded.

2006 Classroom Facilities Refunding Bonds

On December 15, 2006, the School District issued \$5,739,992 in voted general obligation bonds for the purpose of advance refunding a portion of the 2001 Classroom Facilities General Obligation Bonds. The average rate on the refunded bonds was 4.84 percent while the rate on the new debt is 4.00 percent. The net proceeds of \$6,029,750 (including a premium of \$398,013 and after payment of \$108,255 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded portion of the 2001 bonds. As a result, the refunded portion of the 2001 bonds totaling \$5,740,000, as well as \$81,006 in unamortized bond premium related to those bonds are considered defeased and the liability for those bonds has been removed from the financial statements. Of these refunded bonds, \$5,380,000 are serial bonds and \$359,992 are capital appreciation bonds. The bonds were issued for a seventeen year period, with final maturity in December 2023. The bonds will be retired from the Debt Service Fund.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

The serial bonds maturing December 1, 2017 and thereafter are subject to optional redemption, in whole or in part on any date in any order of maturity on or after December 1, 2016 at par, which is 100 percent of the face value of the bonds.

The capital appreciation bonds are not subject to prior redemption. They will mature in fiscal years 2013 and 2014. The maturity amount of the capital appreciation bonds will be \$425,000 in 2013 and 2014. For fiscal year 2007, the capital appreciation bonds were accreted \$3,154.

The refunding resulted in a difference of \$289,694 between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The School District's total debt service payments decreased by \$460,190 as a result of the advance refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$173,415.

As of June 30, 2007, all of the bond proceeds had been spent toward the construction project.

Compensated absences will be paid from the General, Food Services, Poverty Based Assistance, and Title I Funds. Capital lease obligations will be paid from the General Fund.

The School District's overall legal debt margin was \$8,164,917 with an unvoted debt margin of \$157,928, and an Energy Conservation debt margin of \$1,166,224 at June 30, 2007.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2007, are as follows:

<u>Energy Conservation Loan - 1998</u>			
<u>Fiscal year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$81,023	\$11,330	\$92,353
2009	84,625	7,728	92,353
2010	89,477	1,518	90,995
Total	<u>\$255,125</u>	<u>\$20,576</u>	<u>\$275,701</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

Fiscal Year Ending June 30,	Classroom Facilities General Obligation Bonds - 2001				Classroom Facilities Refunding Bonds - 2006				Total
	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	
2008	\$0	\$53,296	\$129,755	\$150,245	\$60,000	\$214,000	\$0	\$0	\$607,296
2009	280,000	47,625	0	0	50,000	211,800	0	0	589,425
2010	310,000	35,445	0	0	55,000	209,700	0	0	610,145
2011	325,000	21,948	0	0	55,000	207,500	0	0	609,448
2012	340,000	7,480	0	0	60,000	205,200	0	0	612,680
2013-2017	0	0	0	0	1,330,000	941,600	359,992	490,008	3,121,600
2018-2022	0	0	0	0	2,585,000	503,500	0	0	3,088,500
2023-2024	0	0	0	0	1,185,000	47,900	0	0	1,232,900
Total	<u>\$1,255,000</u>	<u>\$165,794</u>	<u>\$129,755</u>	<u>\$150,245</u>	<u>\$5,380,000</u>	<u>\$2,541,200</u>	<u>\$359,992</u>	<u>\$490,008</u>	<u>\$10,471,994</u>

NOTE 14 - RISK MANAGEMENT

A. Property and Liability

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

The School District, along with other school districts in Ohio, participates in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 17).

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

Building and Business Personal Property Coverage	\$45,434,002
Equipment Breakdown (Boiler/Machinery) Coverage (\$1,000 deductible)	45,434,002
Automobile Liability (\$1,000 deductible for buses; \$500 for other)	2,000,000

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 14 - RISK MANAGEMENT (continued)

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

Settled claims have not exceeded this commercial coverage in any of the past four fiscal years. During fiscal year 2007, the value increased in the building and business personal property coverage and the equipment breakdown coverage due to increases in estimates of insurable value.

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 14 - RISK MANAGEMENT (continued)

B. Workers' Compensation

For fiscal year 2007, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. 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 15 - INTERFUND ACTIVITY

Transfers made during the fiscal year ended June 30, 2007, were as follows:

		Transfer From General
Transfer To	Debt Service	\$92,353
	Other Governmental Funds	179,890
	Total	\$272,243

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

As of June 30, 2007, receivables and payables that resulted from various interfund transactions were as follows:

		Receivable General
Payable	Other Governmental Funds	\$9,708

NOTE 15 - INTERFUND ACTIVITY (continued)

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 16 - JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, Vinton, Jackson and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing body of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, and a representative of the fiscal agent. The School District paid SCOCA \$28,912 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

B. Pike County Joint Vocational School

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

C. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (the "Coalition") 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.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (continued)

The Coalition provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District made no financial contribution to the Coalition for services provided during the fiscal year.

D. Pilasco-Ross Special Education Regional Resource Center

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

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

NOTE 17 - INSURANCE PURCHASING POOLS

A. Ohio School Plan

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The 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-Schuetz Insurance Agency, Inc. and a partner of the Hylant Group, Inc. The Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 17 - INSURANCE PURCHASING POOLS (continued)

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

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

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

NOTE 18 - SET-ASIDE CALCULATIONS

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

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

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

	Textbooks	Capital Acquisitions	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2006	(\$1,130,366)	\$0	\$57,076
Current Fiscal Year Set-aside Requirement	307,707	307,707	0
Current Fiscal Year Offsets	0	(123,342)	0
Qualifying Disbursements	(261,554)	(243,721)	0
Totals	<u>(\$1,084,213)</u>	<u>(\$59,356)</u>	<u>\$57,076</u>
Set-aside Reserve Balance as of June 30, 2007	<u>\$0</u>	<u>\$0</u>	<u>\$57,076</u>
Required Set-aside Balances Carried Forward to FY 2008	<u>(\$1,084,213)</u>	<u>\$0</u>	<u>\$57,076</u>

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 19 - 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, 2007.

B. Litigation

The School District is party to one legal proceeding. No liability has been accrued on the financial statements. The School District's management is of the opinion that the ultimate disposition of this legal proceeding will not have a material effect, if any, on the financial condition of the School District.

Waverly City School District

Combining and Individual Fund Statements and Schedules

Waverly City School District

Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

FOOD SERVICES

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

UNIFORM SCHOOL SUPPLIES

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

PUBLIC SCHOOL SUPPORT

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

LATCHKEY

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

UNDERGROUND STORAGE TANK

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

CLASSROOM FACILITIES MAINTENANCE

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

ATHLETICS

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

(continued)

Waverly City School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

AUXILIARY SERVICES

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

TEACHER DEVELOPMENT

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

EDUCATION MANAGEMENT INFORMATION SYSTEMS

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

PRESCHOOL

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

ONENET

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

SCHOOLNET PROFESSIONAL DEVELOPMENT

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

ALTERNATIVE EDUCATION

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

POVERTY BASED ASSISTANCE

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

MISCELLANEOUS STATE GRANTS

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

(continued)

Waverly City School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

TITLE VI-B

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

TITLE I

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

TITLE VI

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

DRUG FREE SCHOOLS

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

TITLE VI-R

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

TITLE II-D

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

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:

(continued)

Waverly City School District

Fund Descriptions

Nonmajor Capital Projects Funds

PERMANENT IMPROVEMENT

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

CONSTRUCTION

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

Agency Fund

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

STUDENT MANAGED ACTIVITY

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

Waverly City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$885,514	\$321,413	\$1,206,927
Restricted Assets:			
Cash and Cash Equivalents with Escrow Agents	0	2,850	2,850
Receivables:			
Property Taxes	79,912	0	79,912
Intergovernmental	233,373	0	233,373
Prepaid Items	2,568	0	2,568
Materials and Supplies Inventory	9,408	0	9,408
<i>Total Assets</i>	<i>\$1,210,775</i>	<i>\$324,263</i>	<i>\$1,535,038</i>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$7,235	\$507	\$7,742
Contracts Payable	0	44,300	44,300
Accrued Wages Payable	288,159	0	288,159
Retainage Payable	0	2,850	2,850
Interfund Payable	9,708	0	9,708
Intergovernmental Payable	74,243	0	74,243
Deferred Revenue	236,598	0	236,598
<i>Total Liabilities</i>	<i>615,943</i>	<i>47,657</i>	<i>663,600</i>
<u>Fund Balances:</u>			
Reserved for Encumbrances	86,419	0	86,419
Reserved for Property Taxes	13,605	0	13,605
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	494,808	0	494,808
Capital Projects Funds	0	276,606	276,606
<i>Total Fund Balances</i>	<i>594,832</i>	<i>276,606</i>	<i>871,438</i>
<i>Total Liabilities and Fund Balances</i>	<i>\$1,210,775</i>	<i>\$324,263</i>	<i>\$1,535,038</i>

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$76,614	\$0	\$76,614
Intergovernmental	2,850,123	13,261	2,863,384
Interest	0	537	537
Tuition and Fees	34,600	0	34,600
Extracurricular Activities	283,613	0	283,613
Customer Services	246,524	0	246,524
Gifts and Donations	19,817	0	19,817
Miscellaneous	99,595	0	99,595
<i>Total Revenues</i>	<u>3,610,886</u>	<u>13,798</u>	<u>3,624,684</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	980,045	0	980,045
Special	489,620	0	489,620
Student Intervention Services	270,876	0	270,876
Support Services:			
Pupils	48,941	0	48,941
Instructional Staff	554,237	0	554,237
Administration	201,675	0	201,675
Fiscal	2,237	0	2,237
Operation and Maintenance of Plant	118,513	0	118,513
Pupil Transportation	26,740	0	26,740
Operation of Non-Instructional Services:			
Food Services	757,305	0	757,305
Other	42,876	0	42,876
Extracurricular Activities	272,712	0	272,712
Capital Outlay	0	83,803	83,803
<i>Total Expenditures</i>	<u>3,765,777</u>	<u>83,803</u>	<u>3,849,580</u>
<i>Excess of Revenues Under Expenditures</i>	(154,891)	(70,005)	(224,896)
<u>Other Financing Sources:</u>			
Transfers In	179,890	0	179,890
<i>Net Change in Fund Balances</i>	24,999	(70,005)	(45,006)
<i>Fund Balances at Beginning of Year</i>	<u>569,833</u>	<u>346,611</u>	<u>916,444</u>
<i>Fund Balances at End of Year</i>	<u><u>\$594,832</u></u>	<u><u>\$276,606</u></u>	<u><u>\$871,438</u></u>

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Food Services	Public School Support	Latchkey	Underground Storage Tank
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$379	\$54,337	\$10,920	\$11,000
Receivables:				
Property Taxes	0	0	0	0
Intergovernmental	55,629	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	9,408	0	0	0
<i>Total Assets</i>	<u>\$65,416</u>	<u>\$54,337</u>	<u>\$10,920</u>	<u>\$11,000</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$378	\$615	\$0	\$0
Accrued Wages Payable	40,544	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	16,361	0	42	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>57,283</u>	<u>615</u>	<u>42</u>	<u>0</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	6,947	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	8,133	46,775	10,878	11,000
<i>Total Fund Balances (Deficit)</i>	<u>8,133</u>	<u>53,722</u>	<u>10,878</u>	<u>11,000</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$65,416</u>	<u>\$54,337</u>	<u>\$10,920</u>	<u>\$11,000</u>

Classroom Facilities Maintenance	Athletics	Auxiliary Services	Teacher Development	Education Management Information Systems
\$277,679	\$75,473	\$15,583	\$666	\$7,113
79,912	0	0	0	0
0	0	0	0	0
2,568	0	0	0	0
0	0	0	0	0
<u>\$360,159</u>	<u>\$75,473</u>	<u>\$15,583</u>	<u>\$666</u>	<u>\$7,113</u>

\$0	\$1,632	\$801	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	423	0	0
58,854	0	0	0	0
<u>58,854</u>	<u>1,632</u>	<u>1,224</u>	<u>0</u>	<u>0</u>

10,703	1,533	14,972	0	7,113
13,605	0	0	0	0
276,997	72,308	(613)	666	0
<u>301,305</u>	<u>73,841</u>	<u>14,359</u>	<u>666</u>	<u>7,113</u>
<u>\$360,159</u>	<u>\$75,473</u>	<u>\$15,583</u>	<u>\$666</u>	<u>\$7,113</u>

(continued)

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Continued)

	Preschool	OneNet	SchoolNet Professional Development	Poverty Based Assistance
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,957	\$12,000	\$1,167	\$345,769
Receivables:				
Property Taxes	0	0	0	0
Intergovernmental	12,502	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$16,459</u>	<u>\$12,000</u>	<u>\$1,167</u>	<u>\$345,769</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages Payable	16,813	0	0	104,920
Interfund Payable	0	0	0	0
Intergovernmental Payable	3,410	0	0	20,928
Deferred Revenue	12,502	0	0	0
<i>Total Liabilities</i>	<u>32,725</u>	<u>0</u>	<u>0</u>	<u>125,848</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	12,000	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	(16,266)	0	1,167	219,921
<i>Total Fund Balances (Deficit)</i>	<u>(16,266)</u>	<u>12,000</u>	<u>1,167</u>	<u>219,921</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$16,459</u>	<u>\$12,000</u>	<u>\$1,167</u>	<u>\$345,769</u>

Miscellaneous State Grants	Title VI-B	Title I	Title VI	Drug Free Schools
\$7,850	\$35,154	\$14,225	\$3,691	\$4,628
0	0	0	0	0
46,726	64,282	44,526	3,090	3,300
0	0	0	0	0
0	0	0	0	0
<u>\$54,576</u>	<u>\$99,436</u>	<u>\$58,751</u>	<u>\$6,781</u>	<u>\$7,928</u>

\$0	\$0	\$0	\$0	\$0
0	46,176	61,472	0	0
0	0	0	3,090	3,300
0	13,434	16,553	0	0
46,726	64,282	44,526	3,090	3,300
<u>46,726</u>	<u>123,892</u>	<u>122,551</u>	<u>6,180</u>	<u>6,600</u>

5,095	19,992	0	3,433	4,631
0	0	0	0	0
2,755	(44,448)	(63,800)	(2,832)	(3,303)
<u>7,850</u>	<u>(24,456)</u>	<u>(63,800)</u>	<u>601</u>	<u>1,328</u>
<u>\$54,576</u>	<u>\$99,436</u>	<u>\$58,751</u>	<u>\$6,781</u>	<u>\$7,928</u>

(continued)

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Continued)

	Title VI-R	Title II-D	Total Nonmajor Special Revenue Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$113	\$3,810	\$885,514
Receivables:			
Property Taxes	0	0	79,912
Intergovernmental	0	3,318	233,373
Prepaid Items	0	0	2,568
Materials and Supplies Inventory	0	0	9,408
<i>Total Assets</i>	<u>\$113</u>	<u>\$7,128</u>	<u>\$1,210,775</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$0	\$3,809	\$7,235
Accrued Wages Payable	18,234	0	288,159
Interfund Payable	0	3,318	9,708
Intergovernmental Payable	3,092	0	74,243
Deferred Revenue	0	3,318	236,598
<i>Total Liabilities</i>	<u>21,326</u>	<u>10,445</u>	<u>615,943</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	0	0	86,419
Reserved for Property Taxes	0	0	13,605
Unreserved, Undesignated (Deficit)	(21,213)	(3,317)	494,808
<i>Total Fund Balances (Deficit)</i>	<u>(21,213)</u>	<u>(3,317)</u>	<u>594,832</u>
 <i>Total Liabilities and Fund Balances</i>	 <u>\$113</u>	 <u>\$7,128</u>	 <u>\$1,210,775</u>

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Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Food Services	Uniform School Supplies	Public School Support	Latchkey
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	407,756	0	0	0
Tuition and Fees	0	10,375	0	24,225
Extracurricular Activities	0	0	0	0
Customer Services	246,524	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	99,595	0
<i>Total Revenues</i>	<u>654,280</u>	<u>10,375</u>	<u>99,595</u>	<u>24,225</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	26,998	16,728	0
Special	0	0	1,077	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	14,606	3,526
Instructional Staff	0	0	3,011	14,185
Administration	0	0	52,125	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	757	0
Operation of Non-Instructional Services:				
Food Services	757,305	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	4,805	0
<i>Total Expenditures</i>	<u>757,305</u>	<u>26,998</u>	<u>93,109</u>	<u>17,711</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(103,025)	(16,623)	6,486	6,514
<u>Other Financing Sources:</u>				
Transfers In	163,267	16,623	0	0
<i>Net Change in Fund Balances</i>	60,242	0	6,486	6,514
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(52,109)</u>	<u>0</u>	<u>47,236</u>	<u>4,364</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$8,133</u></u>	<u><u>\$0</u></u>	<u><u>\$53,722</u></u>	<u><u>\$10,878</u></u>

Underground Storage Tank	Classroom Facilities Maintenance	Athletics	Auxiliary Services	Teacher Development
\$0	\$76,614	\$0	\$0	\$0
0	57,962	0	54,579	0
0	0	0	0	0
0	0	283,613	0	0
0	0	0	0	0
0	0	19,817	0	0
0	0	0	0	0
0	134,576	303,430	54,579	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	2,237	0	0	0
0	118,513	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	42,676	0
0	0	267,907	0	0
0	120,750	267,907	42,676	0
0	13,826	35,523	11,903	0
0	0	0	0	0
0	13,826	35,523	11,903	0
11,000	287,479	38,318	2,456	666
<u>\$11,000</u>	<u>\$301,305</u>	<u>\$73,841</u>	<u>\$14,359</u>	<u>\$666</u>

(continued)

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

	Education Management Information Systems	Preschool	OneNet	SchoolNet Professional Development
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	7,113	123,918	12,000	3,300
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Customer Services	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>7,113</u>	<u>123,918</u>	<u>12,000</u>	<u>3,300</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	3,140	113,674	12,000	0
Special	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	4,000	0	0	0
Instructional Staff	0	13,320	0	3,150
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services:				
Food Services	0	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>7,140</u>	<u>126,994</u>	<u>12,000</u>	<u>3,150</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(27)	(3,076)	0	150
<u>Other Financing Sources:</u>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(27)	(3,076)	0	150
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>7,140</u>	<u>(13,190)</u>	<u>12,000</u>	<u>1,017</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$7,113</u></u>	<u><u>(\$16,266)</u></u>	<u><u>\$12,000</u></u>	<u><u>\$1,167</u></u>

Poverty Based Assistance	Miscellaneous State Grants	Title VI-B	Title I	Title VI
\$0	\$0	\$0	\$0	\$0
1,051,142	7,095	438,342	515,444	6,403
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>1,051,142</u>	<u>7,095</u>	<u>438,342</u>	<u>515,444</u>	<u>6,403</u>
635,463	0	0	0	6,734
0	0	260,847	227,696	0
270,876	0	0	0	0
0	0	0	24,996	0
125,413	0	107,493	276,203	0
0	0	149,550	0	0
0	0	0	0	0
0	0	0	0	0
0	0	25,983	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>1,031,752</u>	<u>0</u>	<u>543,873</u>	<u>528,895</u>	<u>6,734</u>
19,390	7,095	(105,531)	(13,451)	(331)
0	0	0	0	0
19,390	7,095	(105,531)	(13,451)	(331)
200,531	755	81,075	(50,349)	932
<u>\$219,921</u>	<u>\$7,850</u>	<u>(\$24,456)</u>	<u>(\$63,800)</u>	<u>\$601</u>

(continued)

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007
(Continued)

	Drug Free Schools	Title VI-R	Title II-D	Total Nonmajor Special Revenue Funds
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$76,614
Intergovernmental	14,629	148,632	1,808	2,850,123
Tuition and Fees	0	0	0	34,600
Extracurricular Activities	0	0	0	283,613
Customer Services	0	0	0	246,524
Gifts and Donations	0	0	0	19,817
Miscellaneous	0	0	0	99,595
<i>Total Revenues</i>	<u>14,629</u>	<u>148,632</u>	<u>1,808</u>	<u>3,610,886</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	13,446	148,053	3,809	980,045
Special	0	0	0	489,620
Student Intervention Services	0	0	0	270,876
Support Services:				
Pupils	1,813	0	0	48,941
Instructional Staff	0	10,146	1,316	554,237
Administration	0	0	0	201,675
Fiscal	0	0	0	2,237
Operation and Maintenance of Plant	0	0	0	118,513
Pupil Transportation	0	0	0	26,740
Operation of Non-Instructional Services:				
Food Services	0	0	0	757,305
Other	0	200	0	42,876
Extracurricular Activities	0	0	0	272,712
<i>Total Expenditures</i>	<u>15,259</u>	<u>158,399</u>	<u>5,125</u>	<u>3,765,777</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(630)	(9,767)	(3,317)	(154,891)
<u>Other Financing Sources:</u>				
Transfers In	0	0	0	179,890
<i>Net Change in Fund Balances</i>	(630)	(9,767)	(3,317)	24,999
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,958</u>	<u>(11,446)</u>	<u>0</u>	<u>569,833</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,328</u>	<u>(\$21,213)</u>	<u>(\$3,317)</u>	<u>\$594,832</u>

Waverly City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2007

	Permanent Improvement	Construction	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$8,747	\$312,666	\$321,413
Restricted Assets:			
Equity in Pooled Cash and Cash with Escrow Agents	0	2,850	2,850
<i>Total Assets</i>	\$8,747	\$315,516	\$324,263
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$0	\$507	\$507
Contracts Payable	0	44,300	44,300
Retainage Payable	0	2,850	2,850
<i>Total Liabilities</i>	0	47,657	47,657
<u>Fund Balances:</u>			
Unreserved, Undesignated	8,747	267,859	276,606
<i>Total Liabilities and Fund Balances</i>	\$8,747	\$315,516	\$324,263

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, 2007

	<u>Permanent Improvement</u>	<u>Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>			
Intergovernmental	\$0	\$13,261	\$13,261
Interest	0	537	537
<i>Total Revenues</i>	0	13,798	13,798
<u>Expenditures:</u>			
Capital Outlay	0	83,803	83,803
<i>Net Change in Fund Balances</i>	0	(70,005)	(70,005)
<i>Fund Balances at Beginning of Year</i>	8,747	337,864	346,611
<i>Fund Balances at End of Year</i>	<u>\$8,747</u>	<u>\$267,859</u>	<u>\$276,606</u>

Waverly City School District
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2007

	<u>Balance at 6/30/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/07</u>
<u>STUDENT MANAGED ACTIVITY</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$22,942</u>	<u>\$30,953</u>	<u>\$36,015</u>	<u>\$17,880</u>
<u>Liabilities:</u>				
Undistributed Monies	<u>\$22,942</u>	<u>\$30,953</u>	<u>\$36,015</u>	<u>\$17,880</u>

Waverly City School District

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

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$4,305,502	\$3,348,531	\$3,348,531	\$0
Intergovernmental	11,029,632	9,919,635	9,919,635	0
Interest	104,603	82,607	94,076	11,469
Tuition and Fees	627,995	564,795	564,795	0
Rent	3,147	2,830	2,830	0
Gifts and Donations	8,677	7,804	7,804	0
Payments in Lieu of Taxes	88,405	79,508	79,508	0
Miscellaneous	113,625	102,190	102,190	0
Total Revenues	16,281,586	14,107,900	14,119,369	11,469
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,706,455	4,754,108	4,754,108	0
Fringe Benefits	1,549,716	1,476,570	1,476,570	0
Purchased Services	255,066	338,593	338,426	167
Materials and Supplies	172,618	194,865	194,865	0
Capital Outlay - New	19,912	5,963	5,963	0
Other	6,014	32,534	32,534	0
Total Regular	6,709,781	6,802,633	6,802,466	167
Special:				
Salaries and Wages	522,273	561,483	561,483	0
Fringe Benefits	155,019	158,499	158,499	0
Purchased Services	94,247	153,974	153,974	0
Materials and Supplies	7,915	7,921	7,921	0
Capital Outlay - New	1,503	665	665	0
Other	749	1,274	1,274	0
Total Special	781,706	883,816	883,816	0
Vocational:				
Salaries and Wages	92,765	102,541	102,541	0
Fringe Benefits	30,544	33,797	33,797	0
Purchased Services	889	240	240	0
Materials and Supplies	12,902	32,796	32,796	0
Capital Outlay - New	8,828	119	119	0
Other	76	10,453	10,453	0
Total Vocational	146,004	179,946	179,946	0
Other:				
Purchased Services	504,720	522,300	522,300	0
Total Instruction	\$8,142,211	\$8,388,695	\$8,388,528	\$167

(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, 2007
(Continued)

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Support Services:				
Pupils:				
Salaries and Wages	\$452,501	\$474,747	\$474,747	\$0
Fringe Benefits	137,433	145,844	145,844	0
Purchased Services	233,267	247,118	247,118	0
Materials and Supplies	5,667	7,727	7,727	0
Capital Outlay - New	1,257	591	591	0
Other	638	4,165	4,165	0
Total Pupils	<u>830,763</u>	<u>880,192</u>	<u>880,192</u>	<u>0</u>
Instructional Staff:				
Salaries and Wages	418,345	359,853	359,853	0
Fringe Benefits	188,249	173,700	173,700	0
Purchased Services	14,660	12,059	12,059	0
Materials and Supplies	16,031	14,225	14,225	0
Capital Outlay - New	6,033	1,997	1,997	0
Capital Outlay - Replacement	221	0	0	0
Other	572	506	506	0
Total Instructional Staff	<u>644,111</u>	<u>562,340</u>	<u>562,340</u>	<u>0</u>
Board of Education:				
Salaries and Wages	8,560	11,775	11,775	0
Fringe Benefits	2,176	2,939	2,939	0
Purchased Services	9,902	9,782	9,782	0
Materials and Supplies	5,755	1,248	1,248	0
Capital Outlay - New	555	0	0	0
Other	34,506	25,274	25,274	0
Total Board of Education	<u>61,454</u>	<u>51,018</u>	<u>51,018</u>	<u>0</u>
Administration:				
Salaries and Wages	635,212	616,203	616,203	0
Fringe Benefits	207,427	210,341	210,341	0
Purchased Services	92,828	124,286	124,286	0
Materials and Supplies	17,795	6,564	6,564	0
Capital Outlay - New	6,655	3,499	3,499	0
Other	3,952	1,481	1,481	0
Total Administration	<u>963,869</u>	<u>962,374</u>	<u>962,374</u>	<u>0</u>
Fiscal:				
Salaries and Wages	147,847	148,946	148,946	0
Fringe Benefits	61,582	58,582	58,582	0
Purchased Services	26,438	14,617	14,170	447
Materials and Supplies	4,408	3,065	3,065	0
Capital Outlay - New	8,948	539	539	0
Other	205,520	163,940	163,940	0
Total Fiscal	<u>\$454,743</u>	<u>\$389,689</u>	<u>\$389,242</u>	<u>\$447</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, 2007
(Continued)

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Operation and Maintenance of Plant:				
Salaries and Wages	\$527,946	\$529,186	\$529,186	\$0
Fringe Benefits	234,452	252,713	252,713	0
Purchased Services	886,981	882,719	882,719	0
Materials and Supplies	155,905	146,275	146,275	0
Capital Outlay - New	11,569	5,341	5,341	0
Other	27,431	29,106	29,106	0
Total Operation and Maintenance of Plant	<u>1,844,284</u>	<u>1,845,340</u>	<u>1,845,340</u>	<u>0</u>
Pupil Transportation:				
Salaries and Wages	471,896	450,712	450,712	0
Fringe Benefits	301,899	313,978	313,978	0
Purchased Services	62,099	44,337	44,337	0
Materials and Supplies	225,309	201,100	201,100	0
Capital Outlay - New	9,828	1,392	1,392	0
Other	15,114	15,331	15,331	0
Total Pupil Transportation	<u>1,086,145</u>	<u>1,026,850</u>	<u>1,026,850</u>	<u>0</u>
Central:				
Purchased Services	13,057	9,465	9,465	0
Total Support Services	<u>5,898,426</u>	<u>5,727,268</u>	<u>5,726,821</u>	<u>447</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	1,615	1,110	1,110	0
Fringe Benefits	268	204	204	0
Materials and Supplies	3,153	3,177	3,177	0
Capital Outlay - New	310	80	80	0
Total Operation of Non-Instructional Services	<u>5,346</u>	<u>4,571</u>	<u>4,571</u>	<u>0</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	30,331	31,487	31,487	0
Fringe Benefits	4,523	4,780	4,780	0
Purchased Services	275	275	275	0
Materials and Supplies	336	216	216	0
Total Academic and Subject Oriented Activities	<u>35,465</u>	<u>36,758</u>	<u>36,758</u>	<u>0</u>
Sports Oriented Activities:				
Salaries and Wages	179,865	187,281	187,281	0
Fringe Benefits	33,555	32,244	32,244	0
Purchased Services	29,167	8,846	8,846	0
Materials and Supplies	173	520	520	0
Capital Outlay - New	286	580	580	0
Other	37	39	39	0
Total Sports Oriented Activities	<u>\$243,083</u>	<u>\$229,510</u>	<u>\$229,510</u>	<u>\$0</u>

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, 2007
(Continued)

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
School and Public Service Activities:				
Salaries and Wages	\$12,709	\$14,891	\$14,891	\$0
Fringe Benefits	2,024	1,406	1,406	0
Total School and Public Service Activities	14,733	16,297	16,297	0
Total Extracurricular Activities	293,281	282,565	282,565	0
Capital Outlay:				
Architecture and Engineering Services:				
Site Acquisition Services:				
Purchased Services	0	7,385	7,385	0
Building Acquisition and Construction Services:				
Capital Outlay - New	12,743	0	0	0
Building Improvement Services:				
Purchased Services	35,050	0	0	0
Capital Outlay - New	27,391	0	0	0
Total Building Improvement Services	62,441	0	0	0
Total Capital Outlay	75,184	7,385	7,385	0
Debt Service:				
Interest and Fiscal Charges	0	74,250	74,250	0
Total Expenditures	14,414,448	14,484,734	14,484,120	614
Excess of Revenues Over (Under) Expenditures	1,867,138	(376,834)	(364,751)	12,083
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	1,112	1,000	1,000	0
Refund of Prior Year Expenditures	2,811	2,528	2,528	0
Refund of Prior Year Receipts	(77,050)	0	0	0
Advances In	31,881	28,670	28,670	0
Advances Out	0	(9,708)	(9,708)	0
Transfers Out	(90,000)	(275,809)	(272,809)	3,000
Total Other Financing Sources (Uses)	(131,246)	(253,319)	(250,319)	3,000
Net Change in Fund Balance	1,735,892	(630,153)	(615,070)	15,083
Fund Balance at Beginning of Year	3,098,234	3,098,234	3,098,234	0
Prior Year Encumbrances Appropriated	241,077	241,077	241,077	0
Fund Balance at End of Year	\$5,075,203	\$2,709,158	\$2,724,241	\$15,083

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, 2007

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$737,419	\$581,810	\$581,810	\$0
Intergovernmental	1,351	92,552	92,552	0
Miscellaneous	0	0	6,147	6,147
<i>Total Revenues</i>	<u>738,770</u>	<u>674,362</u>	<u>680,509</u>	<u>6,147</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	26,969	19,934	19,934	0
Debt Service:				
Principal Retirement	329,634	224,031	224,031	0
Interest and Fiscal Charges	359,422	442,502	442,502	0
Issuance Costs	0	102,108	108,255	(6,147)
<i>Total Debt Service</i>	<u>689,056</u>	<u>768,641</u>	<u>774,788</u>	<u>(6,147)</u>
<i>Total Expenditures</i>	<u>716,025</u>	<u>788,575</u>	<u>794,722</u>	<u>(6,147)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>22,745</u>	<u>(114,213)</u>	<u>(114,213)</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>				
Refunding Bonds Issued	83,757	5,739,992	5,739,992	0
Premium on Refunding Bonds Issued	5,808	398,013	398,013	0
Payment to Refunded Bond Escrow Agent	0	(6,029,750)	(6,029,750)	0
Transfers In	1,348	92,353	92,353	0
<i>Total Other Financing Sources (Uses)</i>	<u>90,913</u>	<u>200,608</u>	<u>200,608</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	113,658	86,395	86,395	0
<i>Fund Balance at Beginning of Year</i>	<u>462,507</u>	<u>462,507</u>	<u>462,507</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$576,165</u></u>	<u><u>\$548,902</u></u>	<u><u>\$548,902</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
Food Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$341,552	\$354,220	\$354,220	\$0
Customer Services	237,707	246,524	246,524	0
<i>Total Revenues</i>	<u>579,259</u>	<u>600,744</u>	<u>600,744</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Food Service:				
Salaries	238,767	254,212	254,212	0
Fringe Benefits	137,091	152,193	152,193	0
Purchased Services	18,422	14,767	14,767	0
Materials and Supplies	350,014	342,559	342,559	0
Other	274	280	280	0
<i>Total Expenditures</i>	<u>744,568</u>	<u>764,011</u>	<u>764,011</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(165,309)	(163,267)	(163,267)	0
<u>Other Financing Sources (Uses):</u>				
Transfers In	157,428	163,267	163,267	0
<i>Net Change in Fund Balance</i>	(7,881)	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>(\$7,881)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Tuition and Fees	\$9,554	\$10,375	\$10,375	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	24,861	26,998	26,998	0
<i>Excess of Revenues Under Expenditures</i>	(15,307)	(16,623)	(16,623)	0
<u>Other Financing Sources (Uses):</u>				
Transfers In	15,307	16,623	16,623	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	<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
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<u>Revenues:</u>				
Extracurricular Activities	\$40,168	\$74,727	\$74,727	\$0
Gifts and Donations	1,749	3,254	3,254	0
Miscellaneous	11,618	21,614	21,614	0
<i>Total Revenues</i>	53,535	99,595	99,595	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	416	4,198	416	3,782
Materials and Supplies	4,327	15,598	4,327	11,271
Capital Outlay - New	0	640	640	0
Total Regular	4,743	20,436	5,383	15,053
Special:				
Purchased Services	1,062	1,191	1,191	0
Total Instruction	5,805	21,627	6,574	15,053
Support Services:				
Pupils:				
Purchased Services	5,513	3,662	3,662	0
Materials and Supplies	3,418	6,972	6,972	0
Capital Outlay - New	478	3,654	3,654	0
Total Pupils	9,409	14,288	14,288	0
Instructional Staff:				
Purchased Services	\$1,822	\$3,011	\$3,011	\$0

(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, 2007
(Continued)

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Administration:				
Purchased Services	\$0	\$19	\$19	\$0
Materials and Supplies	24,027	32,978	32,972	6
Capital Outlay - New	280	2,950	2,950	0
Other	4,104	20,084	20,084	0
Total Administration	28,411	56,031	56,025	6
Pupil Transportation:				
Purchased Services	462	757	757	0
Total Support Services	40,104	74,087	74,081	6
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	4,791	4,819	4,819	0
Total Expenditures	50,700	100,533	85,474	15,059
Net Change in Fund Balance	2,835	(938)	14,121	15,059
Fund Balance at Beginning of Year	47,184	47,184	47,184	0
Prior Year Encumbrances Appropriated	588	588	588	0
Fund Balance at End of Year	\$50,607	\$46,834	\$61,893	\$15,059

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, 2007

	<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	\$25,740	\$24,225	\$24,225	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	543	405	405	0
Fringe Benefits	158	155	155	0
Materials and Supplies	3,542	2,962	2,962	0
Total Pupils	4,243	3,522	3,522	0
Instructional Staff:				
Salaries and Wages	13,483	12,487	12,487	0
Fringe Benefits	2,114	1,966	1,966	0
Total Instructional Staff	15,597	14,453	14,453	0
<i>Total Expenditures</i>	19,840	17,975	17,975	0
<i>Excess of Revenues Over Expenditures</i>	5,900	6,250	6,250	0
<u>Other Financing Sources (Uses):</u>				
Advances Out	(1,230)	0	0	0
<i>Net Change in Fund Balance</i>	4,670	6,250	6,250	0
<i>Fund Balance at Beginning of Year</i>	4,670	4,670	4,670	0
<i>Fund Balance at End of Year</i>	<u>\$9,340</u>	<u>\$10,920</u>	<u>\$10,920</u>	<u>\$0</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, 2007*

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$82,821	\$65,380	\$65,380	\$0
Intergovernmental	0	57,962	57,962	0
<i>Total Revenues</i>	<u>82,821</u>	<u>123,342</u>	<u>123,342</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	3,093	2,237	2,237	0
Operation and Maintenance of Plant:				
Purchased Services	63,091	92,680	92,680	0
Materials and Supplies	2,140	34,292	34,292	0
Capital Outlay - New	11,522	9,492	9,492	0
Total Operation and Maintenance of Plant	<u>76,753</u>	<u>136,464</u>	<u>136,464</u>	<u>0</u>
<i>Total Expenditures</i>	<u>79,846</u>	<u>138,701</u>	<u>138,701</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,975	(15,359)	(15,359)	0
<i>Fund Balance at Beginning of Year</i>	275,835	275,835	275,835	0
<i>Prior Year Encumbrances Appropriated</i>	6,500	6,500	6,500	0
<i>Fund Balance at End of Year</i>	<u>\$285,310</u>	<u>\$266,976</u>	<u>\$266,976</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Extracurricular Activities	\$134,292	\$190,887	\$192,952	\$2,065
Gifts and Donations	13,792	19,817	19,817	0
Miscellaneous	63,099	90,661	90,661	0
<i>Total Revenues</i>	<u>211,183</u>	<u>301,365</u>	<u>303,430</u>	<u>2,065</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	5,166	2,595	2,595	0
Materials and Supplies	7,689	32,261	32,261	0
Capital Outlay - New	0	1,656	1,656	0
Other	48,854	86,508	86,508	0
Total Academic and Subject Oriented Activities	<u>61,709</u>	<u>123,020</u>	<u>123,020</u>	<u>0</u>
Sports Oriented Activities:				
Purchased Services	48,938	56,993	56,993	0
Materials and Supplies	50,567	58,273	58,273	0
Capital Outlay - New	0	2,369	2,369	0
Other	34,298	43,862	43,862	0
Total Sports Oriented Activities	<u>133,803</u>	<u>161,497</u>	<u>161,497</u>	<u>0</u>
<i>Total Expenditures</i>	<u>195,512</u>	<u>284,517</u>	<u>284,517</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	15,671	16,848	18,913	2,065
<i>Fund Balance at Beginning of Year</i>	37,912	37,912	37,912	0
<i>Prior Year Encumbrances Appropriated</i>	<u>15,768</u>	<u>15,768</u>	<u>15,768</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$69,351</u></u>	<u><u>\$70,528</u></u>	<u><u>\$72,593</u></u>	<u><u>\$2,065</u></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, 2007

	<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	\$41,151	\$54,579	\$54,579	\$0
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	3,537	22,056	22,056	0
Fringe Benefits	546	3,483	3,483	0
Purchased Services	2,872	2,029	2,029	0
Materials and Supplies	8,573	16,017	16,017	0
Capital Outlay - New	2,065	15,605	15,605	0
<i>Total Expenditures</i>	<u>17,593</u>	<u>59,190</u>	<u>59,190</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	23,558	(4,611)	(4,611)	0
<i>Fund Balance at Beginning of Year</i>	203	203	203	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,610</u>	<u>4,610</u>	<u>4,610</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$28,371</u>	<u>\$202</u>	<u>\$202</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$7,140	\$7,113	\$7,113	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	6,280	6,253	6,253	0
Support Services:				
Pupils:				
Salaries and Wages	8,000	8,000	8,000	0
<i>Total Expenditures</i>	14,280	14,253	14,253	0
<i>Net Change in Fund Balance</i>	(7,140)	(7,140)	(7,140)	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	7,140	7,140	7,140	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$136,420	\$123,918	\$123,918	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,927	93,696	93,696	0
Fringe Benefits	5,396	19,671	19,671	0
Total Instruction	16,323	113,367	113,367	0
Support Services:				
Instructional Staff:				
Salaries and Wages	1,256	11,432	11,432	0
Fringe Benefits	1,650	1,989	1,989	0
Total Support Services	2,906	13,421	13,421	0
<i>Total Expenditures</i>	19,229	126,788	126,788	0
<i>Net Change in Fund Balance</i>	117,191	(2,870)	(2,870)	0
<i>Fund Balance at Beginning of Year</i>	6,828	6,828	6,828	0
<i>Fund Balance at End of Year</i>	\$124,019	\$3,958	\$3,958	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$12,000	\$12,000	\$12,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(12,000)	(12,000)	(12,000)	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$3,925	\$3,300	\$3,300	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	1,892	4,179	4,179	0
<i>Net Change in Fund Balance</i>	2,033	(879)	(879)	0
<i>Fund Balance at Beginning of Year</i>	1,100	1,100	1,100	0
<i>Prior Year Encumbrances Appropriated</i>	946	946	946	0
<i>Fund Balance at End of Year</i>	<u>\$4,079</u>	<u>\$1,167</u>	<u>\$1,167</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$40,287	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
<i>Net Change in Fund Balance</i>	40,287	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	\$40,287	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Based Assistance Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$1,086,357	\$1,051,142	\$1,051,142	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	442,066	479,975	479,975	0
Fringe Benefits	123,633	181,887	181,887	0
Total Regular	565,699	661,862	661,862	0
Other:				
Salaries and Wages	59,483	159,786	159,786	0
Fringe Benefits	3,848	69,017	69,017	0
Purchased Services	0	12,357	12,357	0
Materials and Supplies	14,393	0	0	0
Total Other	77,724	241,160	241,160	0
Total Instruction	643,423	903,022	903,022	0
Support Services:				
Instructional Staff:				
Salaries and Wages	81,924	84,125	84,125	0
Fringe Benefits	38,903	45,654	45,654	0
Total Support Services	120,827	129,779	129,779	0
Total Expenditures	764,250	1,032,801	1,032,801	0
Net Change in Fund Balance	322,107	18,341	18,341	0
Fund Balance at Beginning of Year	175,800	175,800	175,800	0
Prior Year Encumbrances Appropriated	151,628	151,628	151,628	0
Fund Balance at End of Year	\$649,535	\$345,769	\$345,769	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$7,095	\$7,095	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	5,095	5,095	0
<i>Net Change in Fund Balance</i>	0	2,000	2,000	0
<i>Fund Balance at Beginning of Year</i>	755	755	755	0
<i>Fund Balance at End of Year</i>	\$755	\$2,755	\$2,755	\$0

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$529,233	\$438,342	\$438,342	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	195,187	204,775	204,775	0
Fringe Benefits	32,245	50,513	50,513	0
Materials and Supplies	21,173	20,229	20,229	0
Capital Outlay - New	19,225	19,336	19,336	0
Total Instruction	267,830	294,853	294,853	0
Support Services:				
Instructional Staff:				
Salaries and Wages	54,952	65,428	65,428	0
Fringe Benefits	33,593	41,851	41,851	0
Purchased Services	0	243	243	0
Total Instructional Staff	88,545	107,522	107,522	0
Administration:				
Salaries and Wages	89,276	104,174	104,174	0
Fringe Benefits	36,249	45,343	45,343	0
Total Administration	125,525	149,517	149,517	0
Pupil Transportation:				
Purchased Services	51,966	45,321	45,321	0
Total Support Services	266,036	302,360	302,360	0
<i>Total Expenditures</i>	533,866	597,213	597,213	0
<i>Net Change in Fund Balance</i>	(4,633)	(158,871)	(158,871)	0
<i>Fund Balance at Beginning of Year</i>	77,181	77,181	77,181	0
<i>Prior Year Encumbrances Appropriated</i>	96,852	96,852	96,852	0
<i>Fund Balance at End of Year</i>	\$169,400	\$15,162	\$15,162	\$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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$559,105	\$515,444	\$515,444	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	136,946	168,611	168,611	0
Fringe Benefits	45,187	57,446	57,446	0
Total Instruction	182,133	226,057	226,057	0
Support Services:				
Pupils:				
Salaries and Wages	13,599	16,138	16,138	0
Fringe Benefits	5,978	7,556	7,556	0
Total Pupils	19,577	23,694	23,694	0
Instructional Staff:				
Salaries and Wages	162,574	199,612	199,612	0
Fringe Benefits	65,302	78,212	78,212	0
Total Instructional Staff	227,876	277,824	277,824	0
Total Support Services	247,453	301,518	301,518	0
<i>Total Expenditures</i>	429,586	527,575	527,575	0
<i>Net Change in Fund Balance</i>	129,519	(12,131)	(12,131)	0
<i>Fund Balance at Beginning of Year</i>	2,858	2,858	2,858	0
<i>Prior Year Encumbrances Appropriated</i>	19,220	19,220	19,220	0
<i>Fund Balance at End of Year</i>	<u>\$151,597</u>	<u>\$9,947</u>	<u>\$9,947</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	6,404	\$6,403	\$6,403	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	13,468	10,167	10,167	0
<i>Excess of Revenues Under Expenditures</i>	<u>(7,064)</u>	<u>(3,764)</u>	<u>(3,764)</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	3,090	3,090	3,090	0
Advances Out	0	(6,060)	(6,060)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,090</u>	<u>(2,970)</u>	<u>(2,970)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,974)	(6,734)	(6,734)	0
<i>Fund Balance at Beginning of Year</i>	258	258	258	0
<i>Prior Year Encumbrances Appropriated</i>	<u>6,734</u>	<u>6,734</u>	<u>6,734</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,018</u></u>	<u><u>\$258</u></u>	<u><u>\$258</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$14,630	\$14,631	\$14,631	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	16,860	12,618	12,618	0
Fringe Benefits	294	617	617	0
Materials and Supplies	0	4,842	4,842	0
Total Regular	17,154	18,077	18,077	0
Support Services:				
Pupils:				
Purchased Services	0	1,813	1,813	0
<i>Total Expenditures</i>	17,154	19,890	19,890	0
<i>Excess of Revenues Under Expenditures</i>	(2,524)	(5,259)	(5,259)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	3,300	3,300	3,300	0
Advances Out	0	(6,618)	(6,618)	0
<i>Total Other Financing Sources (Uses)</i>	3,300	(3,318)	(3,318)	0
<i>Net Change in Fund Balance</i>	776	(8,577)	(8,577)	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	8,577	8,577	8,577	0
<i>Fund Balance at End of Year</i>	<u>\$9,353</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$173,197	\$173,310	\$173,310	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	94,882	114,767	114,767	0
Fringe Benefits	26,833	32,092	32,092	0
Total Instruction	121,715	146,859	146,859	0
Support Services:				
Instructional Staff:				
Purchased Services	0	10,146	10,146	0
Operation of Non-Instructional Services:				
Services:				
Community Services:				
Purchased Services	0	200	200	0
<i>Total Expenditures</i>	121,715	157,205	157,205	0
<i>Excess of Revenues Over Expenditures</i>	51,482	16,105	16,105	0
<u>Other Financing Sources (Uses):</u>				
Advances Out	0	(15,992)	(15,992)	0
<i>Net Change in Fund Balance</i>	50,137	113	113	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$50,137</u>	<u>\$113</u>	<u>\$113</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	1,797	\$1,808	\$1,808	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	1,868	4,743	4,743	0
Support Services:				
Instructional Staff:				
Purchased Services	0	1,317	1,317	0
<i>Total Expenditures</i>	<u>1,868</u>	<u>6,060</u>	<u>6,060</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(71)	(4,252)	(4,252)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	3,298	3,318	3,318	0
<i>Net Change in Fund Balance</i>	3,227	(934)	(934)	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	934	934	934	0
<i>Fund Balance at End of Year</i>	<u>\$4,161</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Construction Capital Projects Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$550,663	\$13,261	\$13,261	\$0
Interest	22,299	537	537	0
<i>Total Revenues</i>	572,962	13,798	13,798	0
<u>Expenditures:</u>				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	495,522	0	0	0
Architecture and Engineering Services:				
Purchased Services	185,094	17,351	17,351	0
Building Acquisition and Construction Services:				
Capital Outlay - New	310,990	28,936	28,936	0
Building Improvement Services:				
Purchased Services	0	17,071	17,071	0
Capital Outlay - New	262,053	0	0	0
<i>Total Expenditures</i>	1,253,659	63,358	63,358	0
<i>Net Change in Fund Balance</i>	(680,697)	(49,560)	(49,560)	0
<i>Fund Balance at Beginning of Year</i>	365,076	365,076	365,076	0
<i>Fund Balance (Deficit) at End of Year</i>	(\$315,621)	\$315,516	\$315,516	\$0

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WAVERLY CITY SCHOOL DISTRICT

STATISTICAL SECTION



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Statistical Section

This part of the Waverly City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S20
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S21-S25
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S26-S27
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S28-S37

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

WAVERLY CITY SCHOOL DISTRICT

Net Assets by Component

Last Seven Fiscal Years

(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$5,228,431	\$8,316,620	\$26,963,872
Restricted for:			
Capital Projects	35,627,177	32,189,667	13,767,588
Debt Service	331,873	239,627	335,090
Set-Asides	0	0	57,076
Other Purposes	192,951	261,702	86,781
Unrestricted (Deficit)	<u>4,497,631</u>	<u>4,711,608</u>	<u>4,950,635</u>
Total Governmental Activities Net Assets	<u>\$45,878,063</u>	<u>\$45,719,224</u>	<u>\$46,161,042</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$42,498,447	\$43,103,982	\$39,938,314	\$38,033,116
428,569	144,721	346,611	276,606
227,525	306,327	450,539	706,469
57,076	57,076	57,076	57,076
81,599	444,864	714,526	740,264
<u>3,193,962</u>	<u>(244,629)</u>	<u>1,181,058</u>	<u>1,536,608</u>
<u>\$46,487,178</u>	<u>\$43,812,341</u>	<u>\$42,688,124</u>	<u>\$41,350,139</u>

WAVERLY CITY SCHOOL DISTRICT

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

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

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$7,621,366	\$7,565,359	\$9,571,763	\$9,386,064
1,190,478	1,157,809	1,556,186	1,494,042
147,756	81,722	163,007	156,332
0	0	0	270,876
827,706	995,277	980,844	1,013,553
1,158,050	1,187,689	1,600,404	1,467,084
45,493	39,830	55,275	48,623
1,158,011	1,321,229	1,291,218	1,294,677
425,265	404,189	521,358	447,155
0	0	0	0
1,249,016	1,266,638	1,842,924	1,856,356
988,140	960,198	1,010,008	1,124,930
16,945	10,684	7,563	8,095
694,686	696,460	943,882	930,361
504,173	486,903	514,390	558,347
534,151	36,425	0	0
266,705	419,334	415,770	421,127
<u>16,827,941</u>	<u>16,629,746</u>	<u>20,474,592</u>	<u>20,477,622</u>

531,435	535,139	543,289	575,170
0	0	0	0
18,046	6,981	5,405	4,845
2,538	13,109	20,335	19,380
0	0	0	0
2,030	2,400	2,455	2,830
0	0	0	0
218,782	247,044	260,757	246,524
135,758	134,744	165,503	283,613
3,210,572	2,798,447	2,502,358	2,567,524
46,200	7,900	29,248	5,750
<u>4,165,361</u>	<u>3,745,764</u>	<u>3,529,350</u>	<u>3,705,636</u>

<u>(\$12,662,580)</u>	<u>(\$12,883,982)</u>	<u>(\$16,945,242)</u>	<u>(\$16,771,986)</u>
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(continued)

WAVERLY CITY SCHOOL DISTRICT

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$3,036,581	\$3,359,660	\$3,126,071
Debt Service	299,732	280,578	551,567
Capital Outlay	36,375	60,449	63,729
Grants and Entitlements not Restricted to Specific Programs	43,146,697	7,644,603	7,827,291
Payment in Lieu of Taxes	0	0	382,809
Investment Earnings	666,613	522,908	348,772
Unrestricted Gifts and Donations	0	42,132	2,000
Miscellaneous	202,680	151,493	33,280
<i>Total Governmental Activities</i>	<u>47,388,678</u>	<u>12,061,823</u>	<u>12,335,519</u>
Change in Net Assets Before Special Item	36,704,942	(158,839)	441,818
Special Item - Demolition of Buildings	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Assets	<u>\$36,704,942</u>	<u>(\$158,839)</u>	<u>\$441,818</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$3,485,175	\$3,246,075	\$4,099,379	\$3,878,179
607,668	570,008	685,410	657,463
69,530	65,027	78,013	75,731
8,449,946	9,435,707	10,556,430	10,409,389
0	0	162,912	79,508
161,814	102,029	112,719	123,745
2,900	4,475	5,310	2,054
<u>211,683</u>	<u>241,741</u>	<u>120,852</u>	<u>207,932</u>
<u>12,988,716</u>	<u>13,665,062</u>	<u>15,821,025</u>	<u>15,434,001</u>
326,136	781,080	(1,124,217)	(1,337,985)
<u>0</u>	<u>(3,455,917)</u>	<u>0</u>	<u>0</u>
<u>\$326,136</u>	<u>(\$2,674,837)</u>	<u>(\$1,124,217)</u>	<u>(\$1,337,985)</u>

WAVERLY CITY SCHOOL DISTRICT
 Program Revenues by Function, Governmental Activities
 Last Seven Fiscal Years
 (accrual basis of accounting)

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

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$1,339,839	\$1,297,318	\$938,720	\$961,298
881,843	841,100	1,046,705	1,060,710
40,443	21,276	39,804	37,710
40,458	60,623	33,049	31,984
503,439	527,955	408,833	402,822
89,938	155,747	162,253	138,221
0	0	0	0
2,030	2,400	2,455	2,830
0	23,680	24,450	52,022
23,863	0	0	0
568,463	611,175	692,640	708,859
143,315	204,490	180,441	309,180
<u>531,730</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$4,165,361</u>	<u>\$3,745,764</u>	<u>\$3,529,350</u>	<u>\$3,705,636</u>

WAVERLY CITY SCHOOL DISTRICT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Fund				
Reserved	\$579,279	\$1,375,671	\$866,581	\$574,220
Unreserved	<u>3,838,719</u>	<u>3,368,388</u>	<u>3,380,982</u>	<u>3,269,613</u>
Total General Fund	<u>4,417,998</u>	<u>4,744,059</u>	<u>4,247,563</u>	<u>3,843,833</u>
All Other Governmental Funds				
Reserved	285,514	612,718	29,971	155,085
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	(28,107)	111,609	179,775	148,420
Debt Service Funds	7,949	7,949	7,949	278,636
Capital Projects Funds	<u>12,266</u>	<u>74,513</u>	<u>9,168</u>	<u>8,710,702</u>
Total All Other Governmental Funds	<u>277,622</u>	<u>806,789</u>	<u>226,863</u>	<u>9,292,843</u>
Total Governmental Funds	<u>\$4,695,620</u>	<u>\$5,550,848</u>	<u>\$4,474,426</u>	<u>\$13,136,676</u>

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$546,888	\$690,223	\$830,391	\$620,305	\$627,238	\$991,157
<u>3,864,756</u>	<u>3,907,499</u>	<u>3,136,984</u>	<u>(62,772)</u>	<u>1,679,676</u>	<u>1,562,175</u>
<u>4,411,644</u>	<u>4,597,722</u>	<u>3,967,375</u>	<u>557,533</u>	<u>2,306,914</u>	<u>2,553,332</u>
2,386,557	542,640	4,188,132	665,460	363,940	211,405
59,270	(173,402)	87,117	188,957	278,526	494,808
182,607	253,418	284,026	366,264	473,853	604,804
<u>12,047,185</u>	<u>11,766,879</u>	<u>(75,263)</u>	<u>284,001</u>	<u>346,611</u>	<u>276,606</u>
<u>14,675,619</u>	<u>12,389,535</u>	<u>4,484,012</u>	<u>1,504,682</u>	<u>1,462,930</u>	<u>1,587,623</u>
<u>\$19,087,263</u>	<u>\$16,987,257</u>	<u>\$8,451,387</u>	<u>\$2,062,215</u>	<u>\$3,769,844</u>	<u>\$4,140,955</u>

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

	1998	1999	2000	2001
Revenues				
Property Taxes	\$2,177,489	\$2,635,177	\$3,185,571	\$3,343,746
Intergovernmental	7,179,533	7,950,445	8,044,497	9,792,308
Interest	319,303	322,757	328,608	648,335
Tuition and Fees	31,981	32,434	31,696	57,379
Extracurricular Activities	135,651	132,451	152,569	168,150
Customer Services	127,074	13,553	30,081	231,812
Rent	6,888	6,548	7,005	2,240
Gifts and Donations	63,318	55,140	60,759	54,681
Payment in Lieu of Taxes	0	0	0	0
Miscellaneous	98,174	123,665	136,087	202,680
<i>Total Revenues</i>	<u>10,139,411</u>	<u>11,272,170</u>	<u>11,976,873</u>	<u>14,501,331</u>
Expenditures				
Current:				
Instruction:				
Regular	4,389,495	4,866,826	5,441,838	5,749,428
Special	1,089,027	902,764	1,043,354	1,093,346
Vocational	121,060	123,038	127,188	138,735
Student Intervention Services	12,926	119,062	128,174	45,511
Support Services:				
Pupils	407,533	539,019	741,203	634,446
Instructional Staff	520,007	726,336	779,537	873,238
Board of Education	35,177	28,111	26,911	38,851
Administration	950,130	835,648	795,523	940,271
Fiscal	267,207	283,291	329,174	357,037
Operation and Maintenance of Plant	1,023,360	996,183	1,178,454	1,084,478
Pupil Transportation	662,391	640,420	729,455	890,040
Central	9,231	19,900	17,542	20,877
Operation of Non-Instructional Services	35,669	15,071	54,997	554,989
Extracurricular Activities	254,895	276,137	371,834	377,709
Capital Outlay	15,896	838,693	1,226,795	830,277
Intergovernmental	0	0	0	42,109
Debt Service:				
Principal Retirement	0	0	57,814	77,100
Interest and Fiscal Charges	0	0	34,539	242,414
Bond Issuance Costs	0	0	0	131,753
<i>Total Expenditures</i>	<u>9,794,004</u>	<u>11,210,499</u>	<u>13,084,332</u>	<u>14,122,609</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>345,407</u>	<u>61,671</u>	<u>(1,107,459)</u>	<u>378,722</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	2,092	875	31,037	775
Proceeds from Loans	0	794,000	0	0
General Obligation Bonds Issued	0	0	0	8,085,906
Refunding Bonds Issued	0	0	0	0
Inception of Capital Lease	0	0	0	65,000
Premium on Debt Issue	0	0	0	131,847
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	44,542	31,623	262,291	105,313
Transfers Out	(54,018)	(32,941)	(262,291)	(105,313)
<i>Total Other Financing Sources (Uses)</i>	<u>(7,384)</u>	<u>793,557</u>	<u>31,037</u>	<u>8,283,528</u>
<i>Net Change in Fund Balances</i>	<u>\$338,023</u>	<u>\$855,228</u>	<u>(\$1,076,422)</u>	<u>\$8,662,250</u>
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.8%	3.4%

2002	2003	2004	2005	2006	2007
\$3,669,150	\$3,687,133	\$4,150,302	\$3,896,834	\$4,800,529	\$4,669,085
19,212,770	27,154,546	21,984,852	12,575,824	13,042,899	12,878,099
531,497	368,844	168,619	101,097	113,651	123,745
211,796	266,892	528,395	555,229	569,029	599,395
163,593	220,974	159,017	134,744	165,503	283,613
242,024	208,122	218,782	247,044	260,757	246,524
4,350	2,095	2,395	2,400	2,455	2,830
55,296	14,382	13,275	23,669	20,248	27,621
0	0	40,000	0	242,912	79,508
151,493	33,280	211,683	241,741	120,852	207,932
<u>24,241,969</u>	<u>31,956,268</u>	<u>27,477,320</u>	<u>17,778,582</u>	<u>19,338,835</u>	<u>19,118,352</u>
6,959,976	6,521,806	7,294,024	8,264,749	8,268,744	8,249,821
1,151,152	1,104,049	1,210,603	1,173,884	1,342,665	1,334,159
122,075	167,640	165,901	80,984	143,286	150,173
0	0	0	0	0	270,876
775,912	801,604	844,641	1,007,815	879,126	924,561
883,151	1,083,854	1,134,698	1,168,272	1,178,824	1,104,273
46,775	63,940	45,493	39,830	55,275	48,623
988,641	1,038,788	1,161,288	1,287,168	1,134,863	1,223,922
442,136	378,073	422,062	412,868	481,057	412,791
1,023,502	1,111,581	1,207,345	1,848,972	1,837,755	1,849,794
891,906	927,128	1,028,563	1,457,283	1,040,997	981,457
15,902	8,524	13,807	10,684	7,563	8,095
651,376	653,806	693,524	742,004	780,074	804,754
399,507	449,744	537,134	504,597	496,963	554,448
3,171,651	18,665,024	19,064,649	5,552,475	942,797	89,711
297,617	425,391	534,209	36,425	0	0
82,151	268,955	275,081	283,104	331,795	224,031
415,678	395,453	384,568	372,686	359,422	516,752
0	0	0	0	0	108,255
<u>18,319,108</u>	<u>34,065,360</u>	<u>36,017,590</u>	<u>24,243,800</u>	<u>19,281,206</u>	<u>18,856,496</u>
5,922,861	(2,109,092)	(8,540,270)	(6,465,218)	57,629	261,856
500	1,307	4,400	76,046	0	1,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	5,739,992
27,226	7,779	0	0	1,650,000	0
0	0	0	0	0	398,013
0	0	0	0	0	(6,029,750)
108,443	193,462	209,120	386,267	276,334	272,243
(108,443)	(193,462)	(209,120)	(386,267)	(276,334)	(272,243)
<u>27,726</u>	<u>9,086</u>	<u>4,400</u>	<u>76,046</u>	<u>1,650,000</u>	<u>109,255</u>
<u>\$5,950,587</u>	<u>(\$2,100,006)</u>	<u>(\$8,535,870)</u>	<u>(\$6,389,172)</u>	<u>\$1,707,629</u>	<u>\$371,111</u>
3.3%	4.3%	3.9%	3.5%	3.8%	4.5%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1998	\$66,279,140	\$14,284,410	\$230,181,571	\$12,381,390	\$15,476,738
1999	68,133,980	15,289,510	238,352,829	13,218,700	16,523,375
2000	85,776,180	22,038,570	308,042,143	12,605,950	15,757,438
2001	86,697,410	20,890,350	307,393,600	12,261,160	15,326,450
2002	88,523,460	18,345,430	305,339,686	10,284,900	12,856,125
2003	99,215,880	18,504,650	336,344,371	11,326,030	14,157,538
2004	99,906,270	18,742,110	338,995,371	11,710,520	14,638,150
2005	100,194,320	25,608,650	359,437,057	11,699,070	14,623,838
2006	117,262,960	28,282,390	415,843,857	11,683,260	14,604,075
2007	119,135,290	29,949,440	425,956,371	10,889,950	13,612,438

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006 and 12.5 percent for 2007.

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

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

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Actual Value	Value	Value		
\$23,540,703	\$94,162,812	\$116,485,643	\$339,821,121	34.28%	\$24.78
26,292,663	105,170,652	122,934,853	360,046,856	34.14%	\$24.87
25,719,595	102,878,380	146,140,295	426,677,960	34.25%	\$23.28
25,025,598	100,102,392	144,874,518	422,822,442	34.26%	\$28.14
23,491,795	93,967,180	140,645,585	412,162,991	34.12%	\$27.86
24,936,440	99,745,760	153,983,000	450,247,669	34.20%	\$27.58
23,214,203	92,856,812	153,573,103	446,490,333	34.40%	\$27.60
25,359,520	101,438,080	162,861,560	475,498,975	34.25%	\$27.75
25,322,842	135,055,157	182,551,452	565,503,089	32.28%	\$26.83
18,921,646	151,373,168	178,896,326	590,941,977	30.27%	\$25.42

WAVERLY CITY SCHOOL DISTRICT

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

	1998	1999	2000	2001
Unvoted Millage				
Operating	<u>\$3.60</u>	<u>\$3.60</u>	<u>\$3.60</u>	<u>\$3.60</u>
Voted Millage - by levy				
1976 Current Expense				
Residential/Agricultural Real	8.35	8.31	7.86	7.94
Commercial/Industrial and Public Utility Real	8.18	8.18	7.81	8.46
General Business and Public Utility Personal	14.90	14.90	14.90	14.90
1977 Current Expense				
Residential/Agricultural Real	5.04	5.02	4.75	4.80
Commercial/Industrial and Public Utility Real	4.94	4.94	4.72	5.11
General Business and Public Utility Personal	9.00	9.00	9.00	9.00
1991 Current Expense				
Residential/Agricultural Real	4.42	4.39	3.79	3.83
Commercial/Industrial and Public Utility Real	4.29	4.29	3.88	4.20
General Business and Public Utility Personal	5.00	5.00	5.00	5.00
2000 Bond \$8,086,000				
Residential/Agricultural Real	0.00	0.00	0.00	4.12
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	4.12
General Business and Public Utility Personal	0.00	0.00	0.00	4.12
2000 Capital Improvement				
Residential/Agricultural Real	0.00	0.00	0.00	0.50
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.50
General Business and Public Utility Personal	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.50</u>
Total voted millage by type of property				
Residential/Agricultural Real	17.81	17.72	16.40	21.19
Commercial/Industrial and Public Utility Real	17.41	17.41	16.41	22.39
General Business and Public Utility Personal	<u>28.90</u>	<u>28.90</u>	<u>28.90</u>	<u>33.52</u>
Total School District Millage	<u>32.50</u>	<u>32.50</u>	<u>32.50</u>	<u>37.12</u>
Overlapping Rates by Taxing District				
Townships				
Residential/Agricultural Real	0.26 - 5.31	0.26 - 4.55	0.22 - 4.55	0.22 - 4.54
Commercial/Industrial and Public Utility Real	0.13 - 5.52	0.13 - 5.46	0.13 - 5.60	0.13 - 5.60
General Business and Public Utility Personal	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00
City				
Residential/Agricultural Real	10.14	10.14	8.39	8.49
Commercial/Industrial and Public Utility Real	9.26	9.26	8.22	8.87
General Business and Public Utility Personal	15.30	15.30	15.30	14.30
Counties				
Residential/Agricultural Real	0.25 - 4.90	0.22 - 4.90	0.22 - 4.90	0.21 - 4.90
Commercial/Industrial and Public Utility Real	0.27 - 4.90	0.27 - 4.90	0.26 - 4.90	0.27 - 4.90
General Business and Public Utility Personal	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90
Paint Valley Mental Health District				
Residential/Agricultural Real	0.71	0.67	0.63	0.59
Commercial/Industrial and Public Utility Real	0.71	0.72	0.69	0.64
General Business and Public Utility Personal	1.00	1.00	1.00	1.00
Pike County Area Joint Vocational School District				
Residential/Agricultural Real	3.13	3.11	2.60	2.63
Commercial/Industrial and Public Utility Real	3.03	3.03	2.70	2.87
General Business and Public Utility Personal	6.50	6.50	6.50	6.50
West Jackson Township Fire District				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00

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

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

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

2002	2003	2004	2005	2006	2007
\$3.60	\$3.60	\$3.60	\$3.60	\$3.60	\$3.60
7.90	7.97	7.97	7.97	8.10	10.22
8.48	8.48	8.48	8.75	8.19	10.22
14.90	14.90	14.90	14.90	14.90	14.90
4.77	4.81	4.81	4.82	4.89	6.18
5.12	4.12	5.12	5.29	4.95	6.18
9.00	9.00	9.00	9.00	9.00	9.00
3.81	3.62	3.62	3.61	3.41	0.00
4.21	4.21	4.21	4.35	4.07	0.00
5.00	5.00	5.00	5.00	5.00	0.00
4.12	4.12	4.12	4.12	3.75	3.75
4.12	4.12	4.12	4.12	3.75	3.75
4.12	4.12	4.12	4.12	3.75	3.75
0.50	0.45	0.45	0.45	0.39	0.39
0.50	0.50	0.50	0.50	0.47	0.47
0.50	0.50	0.50	0.50	0.50	0.50
21.10	20.97	20.97	20.97	20.54	20.54
22.43	21.43	22.43	23.01	21.43	20.62
33.52	33.52	33.52	33.52	33.15	28.15
37.12	37.12	37.12	37.12	36.75	31.75
0.22 - 4.04	0.20 - 4.03	0.20 - 4.00	0.20 - 3.74	0.17 - 3.74	0.17 - 3.74
0.13 - 5.03	0.13 - 5.03	0.16 - 5.03	0.16 - 5.03	0.14 - 5.03	0.14 - 5.03
0.40 - 6.00	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00	0.40 - 6.00
8.49	7.83	7.83	7.83	6.91	6.91
8.91	8.93	8.93	9.22	8.67	8.75
15.30	15.30	15.30	15.30	15.30	15.30
0.19 - 4.90	0.19 - 4.90	0.25 - 4.90	0.25 - 4.90	0.21 - 4.90	0.21 - 4.90
0.24 - 4.90	0.24 - 4.90	0.30 - 4.90	0.31 - 4.90	0.29 - 4.90	0.29 - 4.90
0.30 - 4.90	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90	0.30 - 4.90
0.57	0.56	0.55	0.54	0.51	0.50
0.62	0.64	0.63	0.63	0.60	0.59
1.00	1.00	1.00	1.00	1.00	1.00
2.62	2.39	2.39	2.38	2.84	2.84
2.87	2.88	2.88	2.94	3.66	3.69
6.50	6.50	6.50	6.50	7.50	7.50
0.00	0.00	3.00	3.00	2.64	1.95
0.00	0.00	3.00	3.00	2.88	2.94
0.00	0.00	3.00	3.00	3.00	3.00

WAVERLY CITY SCHOOL DISTRICT
Property Tax Levies and Collections - Real and Public Utility Property
Last Ten Collection (Calendar) Years (2)

Collection Year (2)	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1997	\$3,256,946	\$2,333,614	71.65%	\$202,923	\$2,536,537	77.88%
1998	3,380,729	2,405,642	71.16	209,186	2,614,828	77.35
1999	3,495,612	2,441,723	69.85	127,677	2,569,400	73.50
2000	3,873,633	2,788,433	71.98	208,909	2,997,342	77.38
2001	3,874,436	3,051,964	78.77	142,151	3,194,115	82.44
2002	2,948,066	2,695,731	91.44	259,864	2,955,595	100.26
2003	3,924,294	2,351,992	59.93	147,150	2,499,142	63.68
2004	4,193,107	4,142,408	98.79	95,804	4,238,212	101.08
2005	4,241,672	4,532,287	106.85	273,107	4,805,394	113.29
2006	N/A	N/A	N/A	N/A	N/A	N/A

Source: Pike County Auditor

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as intergovernmental revenue.

(2) The 2007 information cannot be presented because all collections have not been made by June 30, 2007.

(3) The County does not identify delinquent tax collections by tax year.

N/A - Information was not available from the Pike County Auditor.

WAVERLY CITY SCHOOL DISTRICT
Principal Taxpayers
Real Estate and Public Utility Tangible Personal Property Tax (1)
2007 and 1999

Name of Taxpayer	2007	
	Assessed Value	Percent of Real Estate and Public Utility Tangible Personal Property Assessed Value
Mills Pride	\$19,940,471	15.34%
Bristol Village Homes	31,333,542	24.10%
Wal Mart Stores	4,294,400	3.30%
Brown Corporation	1,955,057	1.50%
Top Valco, Inc.	1,848,400	1.42%
Pinehurst, LLC	1,743,828	1.34%
Wausau Homes, Inc.	1,519,142	1.17%
Parker Hannifin	1,450,971	1.12%
Clough Commons	1,285,142	0.99%
Randall Roe	1,062,285	0.82%
Totals	<u>\$66,433,238</u>	<u>51.09%</u>
Total Assessed Valuation	<u>\$130,025,240</u>	

Name of Taxpayer	1999	
	Assessed Value	Percent of Real Estate and Public Utility Tangible Personal Property Assessed Value
National Church Residences	\$20,965,971	21.31%
Wal Mart Stores	2,860,685	2.91%
HTW Associates, Ltd.	1,912,285	1.94%
Wausau Homes, Inc.	1,865,828	1.90%
Pinehurst, Ltd.	1,498,057	1.52%
Kmart Corporation	1,473,571	1.50%
Parker-Hannifer Corporation	1,219,800	1.24%
Clough Commons, Ltd.	1,180,828	1.20%
Cooperative Power, Inc.	1,091,228	1.11%
Robert L. Ewing	959,057	0.74%
Totals	<u>\$35,027,310</u>	<u>35.37%</u>
Total Assessed Valuation	<u>\$98,382,130</u>	

Source: Pike County Auditor

WAVERLY CITY SCHOOL DISTRICT
Principal Taxpayers
General Business Tangible Personal Property Tax
2007 and 2005

Name of Taxpayer	2007	
	Assessed Value	Percent of General Business Assessed Value
Mills Pride	\$10,472,310	55.35%
Mills Pride Premier, Inc.	2,215,410	11.71%
Wal Mart Stores East LP	1,041,500	5.50%
Vallery Ford	553,900	2.93%
Hunters Chrysler Plymouth	398,140	2.10%
Kroger	230,520	1.22%
Vallery Chevrolet, Inc.	221,490	1.17%
Frontiervision Operating PTRLP	204,250	1.08%
Frontier Vision Operating	187,020	0.99%
Wausau Homes, Inc.	186,850	0.99%
Totals	<u>\$15,711,390</u>	<u>83.03%</u>
Total Assessed Valuation	<u>\$18,921,646</u>	

Name of Taxpayer	2005	
	Assessed Value	Percent of General Business Assessed Value
Mills Pride	\$10,472,310	41.30%
Wal Mart Stores	1,041,500	4.11%
Mills Pride Premier	988,310	3.90%
General Electric Corporation	755,970	2.98%
Vallery Ford	553,900	2.18%
Pike Sanitation	532,530	2.10%
Hunter Chrysler Plymouth	398,140	1.57%
Inergy Propand LLC	301,300	1.19%
SEEMAC, Inc.	243,390	0.96%
Kroger	230,520	0.91%
Totals	<u>\$15,517,870</u>	<u>61.19%</u>
Total Assessed Valuation	<u>\$25,359,520</u>	

Source: Pike County Auditor

(1) Information prior to 2005 was not available.

WAVERLY CITY SCHOOL DISTRICT
 Computation of Direct and Overlapping
 Debt Attributable to Governmental Activities
 June 30, 2007

	<u>Debt Attributable to Governmental Activities</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
Waverly City School District:			
General Obligation Bonds	\$7,386,472	100.00%	\$7,386,472
Energy Conservation Loan	255,125	100.00	255,125
Capital Lease Obligation	<u>1,650,000</u>	100.00	<u>1,650,000</u>
Total Direct Debt	<u>\$9,291,597</u>	100.00	<u>\$9,291,597</u>
Overlapping:			
Pike County (2):			
Loan Obligations	\$3,758,661	52.77	1,983,445
Capital Lease Obligation	10,610	52.77	5,599
City of Waverly (2):			
Loan and Note Obligations	1,023,329	100.00	1,023,329
Pike County Joint Vocational School District:			
Energy Conservation Loan	299,251	49.09	146,902
Capital Lease Obligation	<u>3,490,000</u>	49.09	<u>1,713,241</u>
Total Overlapping Debt	<u>8,581,851</u>		<u>4,872,517</u>
Total Direct and Overlapping Debt	<u>\$17,873,448</u>		<u>\$14,164,114</u>

Source: Waverly City School District and Overlapping Government Audit Reports

- (1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2007 collection year.
- (2) Debt outstanding for Pike County and the City of Waverly is as of December 31, 2006.

WAVERLY CITY SCHOOL DISTRICT

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

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt			
			General Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita	General Bonded Debt Outstanding
1998	10,623	\$339,821,121	\$0	0.00%	\$0.00	\$0
1999	10,623	360,046,856	0	0.00%	0.00	0
2000	11,556	426,677,960	0	0.00%	0.00	0
2001	11,556	422,822,442	8,219,276	1.94%	711.26	8,219,276
2002	11,556	412,162,991	8,249,052	2.00%	713.83	8,249,052
2003	11,556	450,247,669	8,112,180	1.80%	701.99	8,112,180
2004	11,556	446,490,333	8,235,133	1.84%	712.63	8,235,133
2005	11,556	475,498,975	7,803,511	1.64%	675.28	7,803,511
2006	11,556	565,503,089	7,597,987	1.34%	657.49	7,597,987
2007	11,556	590,941,977	7,386,472	1.25%	639.19	7,386,472

Sources: (1) National Center for Education Statistics
1998-1999 from 1990 U.S. Census Data
2000-2007 from 2000 U.S. Census Data

(2) Ohio Department of Taxation and Pike County Auditor

General Debt

Energy Conservation Loan	School Improvement Bond Anticipation Notes	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
\$0	\$0	\$0	\$0	0.00%	\$0.00
794,000	0	31,944	825,944	0.23	77.75
736,186	0	18,771	754,957	0.18	65.33
675,944	8,086,000	48,142	17,029,362	4.03	1,473.64
613,161	0	56,000	8,918,213	2.16	771.74
547,465	0	30,520	8,690,165	1.93	752.00
479,108	0	13,796	8,728,037	1.95	755.28
407,639	0	2,161	8,213,311	1.73	710.74
333,005	0	1,650,000	9,580,992	1.69	829.09
255,125	0	1,650,000	9,291,597	1.57	804.05

WAVERLY CITY SCHOOL DISTRICT

Computation of Legal Debt Margin

Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Assessed Valuation (1)	\$116,485,643	\$122,934,853	\$146,140,295	\$144,874,518
Less:				
General Business Personal Property	0	0	0	0
Railroad and Telephone Tangible Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Valuation used to calculate Legal Debt Margin	116,485,643	122,934,853	146,140,295	144,874,518
Debt Limit - 9% of Assessed Value (2)	<u>10,483,708</u>	<u>11,064,137</u>	<u>13,152,627</u>	<u>13,038,707</u>
Amount of Debt Applicable to Debt Limit				
Gross Indebtedness	0	794,000	736,186	8,763,373
Less Exempt Debt	0	(794,000)	(736,186)	(62,411)
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>(308,353)</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,392,609</u>
Legal Debt Margin	<u>\$10,483,708</u>	<u>\$11,064,137</u>	<u>\$13,152,627</u>	<u>\$4,646,098</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	35.63%
Unvoted Debt Limit - .10% of Assessed Value (1)	\$116,486	\$122,935	\$146,140	\$144,875
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$116,486</u>	<u>\$122,935</u>	<u>\$146,140</u>	<u>\$144,875</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Energy Conservation Debt Limit	\$1,048,371	\$1,106,414	\$1,315,263	\$1,303,871
Amount of Debt Subject to Limit	<u>0</u>	<u>794,000</u>	<u>736,186</u>	<u>675,944</u>
Energy Conservation Debt Margin	<u>\$1,048,371</u>	<u>\$312,414</u>	<u>\$579,077</u>	<u>\$627,927</u>
Energy Conservation Debt Margin as a Percentage of the Energy Conservation Limit Limit	100.00%	28.24%	44.03%	48.16%

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

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

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

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$140,645,585	\$153,983,000	\$153,573,103	\$162,861,560	\$182,551,452	\$178,896,326
0	0	0	0	(25,322,842)	(18,921,646)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,592,440)</u>	<u>(2,047,050)</u>
140,645,585	153,983,000	153,573,103	162,861,560	154,636,170	157,927,630
<u>12,658,103</u>	<u>13,858,470</u>	<u>13,821,579</u>	<u>14,657,540</u>	<u>13,917,255</u>	<u>14,213,487</u>
8,736,109	8,463,371	8,205,014	7,933,545	7,603,911	7,019,880
(613,161)	(547,465)	(479,108)	(407,639)	(333,005)	(255,125)
<u>(211,418)</u>	<u>(298,192)</u>	<u>(340,284)</u>	<u>(411,828)</u>	<u>(546,486)</u>	<u>(716,185)</u>
<u>7,911,530</u>	<u>7,617,714</u>	<u>7,385,622</u>	<u>7,114,078</u>	<u>6,724,420</u>	<u>6,048,570</u>
<u>\$4,746,573</u>	<u>\$6,240,756</u>	<u>\$6,435,957</u>	<u>\$7,543,462</u>	<u>\$7,192,835</u>	<u>\$8,164,917</u>
37.50%	45.03%	46.56%	51.46%	51.68%	57.44%
\$140,646	\$153,983	\$153,573	\$162,862	\$154,636	\$157,928
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$140,646</u>	<u>\$153,983</u>	<u>\$153,573</u>	<u>\$162,862</u>	<u>\$154,636</u>	<u>\$157,928</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$1,265,810	\$1,385,847	\$1,382,158	\$1,465,754	\$1,391,726	\$1,421,349
<u>613,161</u>	<u>547,465</u>	<u>479,108</u>	<u>407,639</u>	<u>333,005</u>	<u>255,125</u>
<u>\$652,649</u>	<u>\$838,382</u>	<u>\$903,050</u>	<u>\$1,058,115</u>	<u>\$1,058,721</u>	<u>\$1,166,224</u>
51.56%	60.50%	65.34%	72.19%	76.07%	82.05%

WAVERLY CITY SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Pike County Unemployment Rate (3)</u>
1998	10,623	\$170,955,939	\$16,093	N/A	8.80%
1999	10,623	170,955,939	16,093	N/A	11.70
2000	11,556	201,964,212	17,477	\$36,110	7.10
2001	11,556	201,964,212	17,477	36,110	7.70
2002	11,556	201,964,212	17,477	36,110	6.40
2003	11,556	201,964,212	17,477	36,110	10.70
2004	11,556	201,964,212	17,477	36,110	9.10
2005	11,556	201,964,212	17,477	36,110	9.60
2006	11,556	201,964,212	17,477	36,110	8.10
2007	11,556	201,964,212	17,477	36,110	10.00

Sources: (1) U.S. Census Bureau and National Center for Education Statistics
1998-1999 from 1990 U.S. Census Bureau for Pike County - School District
information was not available.
2000-2007 from 2000 U.S. Census Data at National Center for Education Statistics
1997-1999 Median Household Income not available.

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

(3) Ohio Department of Jobs and Family Services

WAVERLY CITY SCHOOL DISTRICT

Principal Employers
2007 and 2006 (1)

2007

<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees (2)</u>	<u>Rank</u>
Masco Corporation/Mills Pride, Inc.	Manufacturing	1,450	1
Brown Corporation of Waverly	Manufacturing	300	2
Pike Community Hospital	Service	288	3
Wal Mart Stores	Retail	250	4
Waverly City School District	Government	243	5
Total		<u>2,531</u>	

2006

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

Source: Pike County Department of Economic Development

(1) Information prior to 2006 is not available.

(2) Information does not tie to S29, as School District Employees by Function/Program does not include aides, clerical staff or School District administrative/financial office employees.

WAVERLY CITY SCHOOL DISTRICT
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001
Regular Instruction				
Elementary Classroom Teachers	67	70	75	76
High School Classroom Teachers	23	24	24	27
Special Instruction				
Elementary Classroom Teachers	11	9	10	10
Gifted Education Teachers	1	1	1	1
High School Classroom Teachers	3	3	3	3
Vocational Instruction				
High School Classroom Teachers	2	2	2	2
Pupil Support Services				
Guidance Counselors	3	3	3	3
Librarians	1	1	1	1
Psychologists	1	1	1	1
Speech and Language Pathologists	1	1	1	1
Nurse	1	1	1	1
Administrators				
Elementary	5	5	5	5
High School	1	1	2	2
Operation of Plant				
Custodians	12	12	12	12
Maintenance	2	2	2	2
Pupil Transportation				
Bus Drivers	22	23	22	23
Bus Aides	0	0	0	0
Van Drivers	0	0	0	0
Food Service Program				
Elementary Cooks	10	10	10	10
High School Cooks	3	3	3	3
Totals:	<u>169</u>	<u>172</u>	<u>178</u>	<u>183</u>

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

Source: Waverly City School District records.

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
76	78	78	79	79	78
28	26	26	26	26	26
11	10	14	14	14	14
1	1	1	1	1	1
3	3	3	3	4	4
2	2	2	1	2	2
3	3	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
6	6	6	6	4	4
2	2	2	2	2	2
12	12	15	15	15	15
2	2	2	2	2	2
23	24	24	30	30	29
0	0	1	1	1	0
0	0	0	0	0	0
10	10	10	10	10	10
3	3	3	3	3	3
<u>186</u>	<u>186</u>	<u>195</u>	<u>201</u>	<u>201</u>	<u>198</u>

WAVERLY CITY SCHOOL DISTRICT

Building Statistics
Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Waverly Primary School				
Constructed in 2004				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades K-2	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
Waverly Intermediate School				
Constructed in 2004				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades 3-5	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
Waverly Junior High School				
Constructed in 2004				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades 6-8	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A
Waverly High School				
Constructed in 2004				
Total Building Square Footage	N/A	N/A	N/A	N/A
Enrollment Grades 9-12	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A

Source: Waverly City School District records.

2002	2003	2004	2005	2006	2007
N/A	N/A	N/A	70,000	70,000	70,000
N/A	N/A	N/A	470	515	462
N/A	N/A	N/A	605	605	605
N/A	N/A	N/A	28	28	28
N/A	N/A	N/A	27	23	25
N/A	N/A	N/A	2	2	2
N/A	N/A	N/A	2	2	2
N/A	N/A	N/A	61,000	61,000	61,000
N/A	N/A	N/A	492	431	462
N/A	N/A	N/A	512	512	512
N/A	N/A	N/A	23	23	23
N/A	N/A	N/A	21	17	21
N/A	N/A	N/A	2	2	2
N/A	N/A	N/A	6	6	6
N/A	N/A	N/A	79,000	79,000	79,000
N/A	N/A	N/A	471	483	507
N/A	N/A	N/A	544	544	544
N/A	N/A	N/A	21	21	21
N/A	N/A	N/A	24	21	25
N/A	N/A	N/A	2	2	2
N/A	N/A	N/A	6	6	6
N/A	N/A	N/A	131,000	131,000	131,000
N/A	N/A	N/A	687	692	688
N/A	N/A	N/A	722	722	722
N/A	N/A	N/A	20	20	20
N/A	N/A	N/A	26	22	26
N/A	N/A	N/A	2	2	2
N/A	N/A	N/A	3	4	4

(continued)

WAVERLY CITY SCHOOL DISTRICT

Building Statistics
Last Ten Fiscal Years
(continued)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
East Primary School				
Constructed in 1954; demolished in 2005				
Total Building Square Footage	47,618	47,618	47,618	47,618
Enrollment Grades K-2	489	469	493	515
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	26	26	28	28
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	3	3	2	2
West Intermediate School				
Constructed in 1957; demolished in 2005				
Total Building Square Footage	35,208	35,208	35,208	35,208
Enrollment Grades 3-5	485	478	489	478
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	15	17	19	20
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	4	2	4	4
North Junior High School				
Constructed in 1961; demolished in 2005				
Total Building Square Footage	40,665	40,665	40,665	40,665
Enrollment Grades 6-8	440	465	479	481
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	18	19	19	19
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	3	3	3	3
Waverly High School (old)				
Constructed in 1931; demolished in 2005				
Total Building Square Footage	101,369	101,369	101,369	101,369
Enrollment Grades 9-12	693	681	651	608
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classrooms	N/A	N/A	N/A	N/A
Regular Instruction Teachers	23	24	24	27
Special Instruction Classrooms	N/A	N/A	N/A	N/A
Special Instruction Teachers	3	3	3	3

Source: Waverly City School District records.

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
47,618	47,618	47,618	N/A	N/A	N/A
494	436	459	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
28	27	27	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
2	2	3	N/A	N/A	N/A
35,208	35,208	35,208	N/A	N/A	N/A
479	488	480	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
20	21	20	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
4	4	5	N/A	N/A	N/A
40,665	40,665	40,665	N/A	N/A	N/A
477	500	489	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
22	24	24	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
4	4	6	N/A	N/A	N/A
101,369	101,369	101,369	N/A	N/A	N/A
600	642	670	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
28	26	26	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
3	3	3	N/A	N/A	N/A

WAVERLY CITY SCHOOL DISTRICT

Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	Enrollment	General Government		Governmental Activities	
		Total Expenditures (1)	Per Pupil Cost	Total Expenses (2)	Per Pupil Cost
1998	2,107	\$9,794,004	\$4,648	N/A	N/A
1999	2,093	11,210,499	5,356	N/A	N/A
2000	2,112	12,991,979	6,152	N/A	N/A
2001	2,082	13,671,342	6,566	13,184,755	6,333
2002	2,050	17,821,279	8,693	15,075,739	7,354
2003	2,066	33,796,405	16,358	14,904,873	7,214
2004	2,098	35,357,941	16,853	16,561,236	7,894
2005	2,120	23,588,010	11,126	16,210,412	7,646
2006	2,121	18,589,989	8,765	20,058,822	9,457
2007	2,119	18,007,458	8,498	20,056,495	9,465

Source: Waverly City School District Records

(1) Excludes debt service expenditures

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

WAVERLY CITY SCHOOL DISTRICT

Teacher to Student Ratio

Last Ten Fiscal Years

<u>Year</u>	<u>Average Number of Students per Teacher (1)</u>	<u>State Average</u>
1998	22.2	20.4
1999	20.0	18.6
2000	17.3	18.1
2001	18.8	18.0
2002	17.9	16.9
2003	17.0	16.5
2004	18.9	18.5
2005	19.2	18.5
2006	18.9	18.6
2007	19.2	19.6

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

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

WAVERLY CITY SCHOOL DISTRICT
 Staff Education, Experience and Teacher Salary Data
 June 30, 2007

Degree	Number of Staff	Percent of Total	Number of Teachers	Average Teacher's Salary	Salary Range
Non-Degree	98	40.33%	0	\$0	n/a
Bachelor's Degree	7	2.88%	6	44,220	\$31,173-\$51,040
Bachelor with 150 Hours	27	11.11%	27	45,786	32,358-54,404
Master's Degree	58	23.87%	55	50,044	34,135-58,365
Master's Degree + 15 Hours	53	21.81%	44	56,190	34,817-59,467
Total	<u>243</u>	<u>100.00%</u>	<u>132</u>		

Years of Experience	Number of Staff	Percent of Total
0-5	37	15.23%
6-10	49	20.16%
11 and over	<u>157</u>	<u>64.61%</u>
Total	<u>243</u>	<u>100.00%</u>

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

District Buildings	2002	2003	2004	2005	2006	2007
Waverly Primary	40.28%	40.00%	45.24%	49.73%	52.35%	50.19%
Waverly Intermediate	39.11%	43.10%	45.59%	48.77%	46.90%	51.54%
Waverly Junior High	34.95%	40.04%	38.26%	35.32%	41.47%	43.50%
Waverly High School	20.19%	22.80%	26.71%	24.35%	32.41%	33.77%

Information prior to 2002 was not available.

Source: Ohio Department of Education

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Mary Taylor, CPA
Auditor of State

WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 24, 2008