



**Auditor of State
Betty Montgomery**

WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY

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**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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>						
Nutrition Cluster:						
Food Donation	10.550	N/A	\$	\$ 40,128	\$	\$ 40,128
School Breakfast Program	10.553	05-PU-04 05-PU-05	10,550 84,925		10,550 84,925	
Total School Breakfast Program			95,475	0	95,475	0
National School Lunch Program	10.555	LL-P4-04 LL-P4-05	32,738 221,446		32,738 221,446	
Total National School Lunch Program			254,184	0	254,184	0
Total Nutrition Cluster			349,659	40,128	349,659	40,128
Total United States Department of Agriculture			349,659	40,128	349,659	40,128
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed through the Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	84.010	C1-S1-05	483,520		398,241	
Special Education - Grants to States	84.027	6B-SF-04 6B-SF-05	19,124 242,023		4,336 255,239	
Total Special Education - Grants to States			261,147	0	259,575	0
Safe and Drug-Free Schools and Communities - State Grants	84.186	DR-S1-04 DR-S1-05	7,659 3,543		1,757 4,459	
Total Safe and Drug-Free Schools and Communities - State Grants			11,202	0	6,216	0
State Grants for Innovative Programs	84.298	C2-S1-04 C2-S1-04	21,186 1,345		24,271	
Total State Grants for Innovative Programs			22,531	0	24,271	0
Education Technology State Grants	84.318	TJ-S1 2004 TJ-S1 2005	6,303 3,846		9,783 1,849	
Total Education Technology State Grants			10,149	0	11,632	0
Improving Teacher Quality State Grants	84.367	TR-S1-04 TR-S1-05	(1,345) 130,009		126,691	
Total Improving Teacher Quality State Grants			128,664	0	126,691	0
Total United States Department of Education			917,213	0	826,626	0
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities</i>						
State Children's Insurance Program	93.767	N/A	4,684		4,684	
Medical Assistance Program	93.778	N/A	72,846		72,846	
Total United States Department of Health and Human Services			77,530	0	77,530	0
Total Federal Awards Receipts and Expenditures			\$ 1,344,402	\$ 40,128	\$ 1,253,815	\$ 40,128

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, 2005**

NOTE A – BASIS OF ACCOUNTING

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

NOTE B – CHILD NUTRITION CLUSTER

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

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

NOTE C – NEGATIVE RECEIPTS

State Grants for Improving Teacher Quality, CFDA #84.367, funds in the amount of \$1,345 were carried over from 2004 to the next program year, resulting in a negative receipt of \$1,345.



**Auditor of State
Betty Montgomery**

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio (the School District), as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 23, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the basic financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the School District's management dated December 23, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the School District's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the School District's management dated December 23, 2005, we reported other matters related to noncompliance we deemed immaterial.

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

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

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

Betty Montgomery
Auditor of State

December 23, 2005



**Auditor of State
Betty Montgomery**

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Waverly City School District, Pike County, Ohio (the School District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2005. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Waverly City School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, as of and for the year ended June 30, 2005, and have issued our report thereon dated December 23, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 23, 2005

**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I Grants to Local Educational Agencies – CFDA #84.010 Special Education – Grants to States – CFDA #84.027
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**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 in accordance with GAGAS.

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)
JUNE 30, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Period of Availability – Special Education Grants to States – CFDA# 84.027 – District charged costs for which obligations were incurred prior to the beginning of the period of availability	Yes	
2004-002	Allowable Costs/Cost Principles – Special Education Grants to States – CFDA# 84.027 – No documentation of the Special Program Director’s time spent on various activities related to various Programs and Awards for payroll allocations of salary.	Yes	

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2005



WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

WAVERLY CITY SCHOOL DISTRICT

WAVERLY, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

Linda Blaum Shoemaker, President

Randy Armbruster, Vice President

John Boyer

Sharon Manson

Gary Towler

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December 23, 2005

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, 2005. 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 2005 fiscal year.

State law requires that every general-purpose local government file with the Auditor of State and publish the availability of financial statements within five months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2005.

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, 2005. The report of independent accountants is located at the front of the Financial Section of this report.

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

The Comprehensive Annual Financial Report is divided into three sections:

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

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

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

PROFILE OF THE GOVERNMENT AND REPORTING ENTITY

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

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

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

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

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

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

The School Board is required to adopt a final budget no later than the close of the fiscal year. 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 relatively high unemployment rates. During the past ten years, the unemployment rate rose from 9.1 percent in 1996 to a high of 11.7 percent in 1999, with a current rate of 9.6 percent. The population of Pike County based on the 2004 census was estimated at 28,294. Population projections for Pike County are indicating growth over the next decade; in fact, a count of 30,337 is anticipated for 2015. This projected population growth can be attributed to a new centrifuge facility for the United States Enrichment Corporation, which will create up to 500 jobs. While not located in the Waverly City School District, the new facility should bring new residents to the School District.

FINANCIAL TRENDS

During fiscal year 2005, the School District experienced a 33.74 percent increase in purchased service expenditures, a 77.53 percent increase in supply and material expenditures and a 109.62 percent increase in capital outlay expenditures. These increases were due to the replacement of the four existing school facilities with four new facilities. The increase in purchased services can be attributed to the increased utility cost of the new buildings. The increase in supplies and a portion of the capital outlay increase resulted from new materials needed in the buildings. Another portion of the capital outlay increase can be attributed to locally funded initiatives of the construction project. As part of the construction project, the School District chose to include an auditorium in the new high school at local cost. The payments for this locally funded initiative were made in fiscal years 2004 and 2005.

FINANCIAL PLANNING AND POLICIES

As a result of the increased expenditures previously mentioned, the School District is making cuts where possible. Open positions that are non-essential are not being filled and the building principals are being held accountable for supply and equipment expenditures.

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 effect future planning of the School District's budget because the School District will lose approximately 8.7 percent of its General Fund revenue when this tax begins phasing out beginning 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 2,120 students during the 2005 fiscal year. Facilities include one high school, one junior high school, and two elementary schools, one of which includes 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>
East Elementary	K-2	470
West Intermediate	3-5	492
North Junior High	6-8	471
Waverly High School	9-12	687

MAJOR INITIATIVES

The major initiative during the 2005 fiscal year was the completion of new facilities for the School District. The School District opened a new high school, new junior high school, and two new elementary schools for the 2004-2005 school year. These new facilities replaced East Primary School, West Intermediate School, North Junior High School and the old Waverly High School.

Many scholarships and academic awards were received by students throughout the year. The School District maintained its continuous improvement status on the 2004-2005 Report Card.

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, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Waverly City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004.

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

ACKNOWLEDGMENTS

Sincere gratitude goes to the Waverly City Board of Education, Linda Shoemaker, Randy Armbruster, John Boyer, Sharon Manson, and Gary Towler, where the commitment to excellence begins, for their support in granting funds for this project. Special acknowledgment is extended to the Auditor of State's Local Government Services 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, 2004

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.



Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

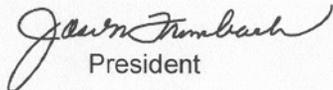


This Certificate of Excellence in Financial Reporting is presented to

WAVERLY CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

Upon recommendation of the Association's Panel of Review which has judged 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, 2005

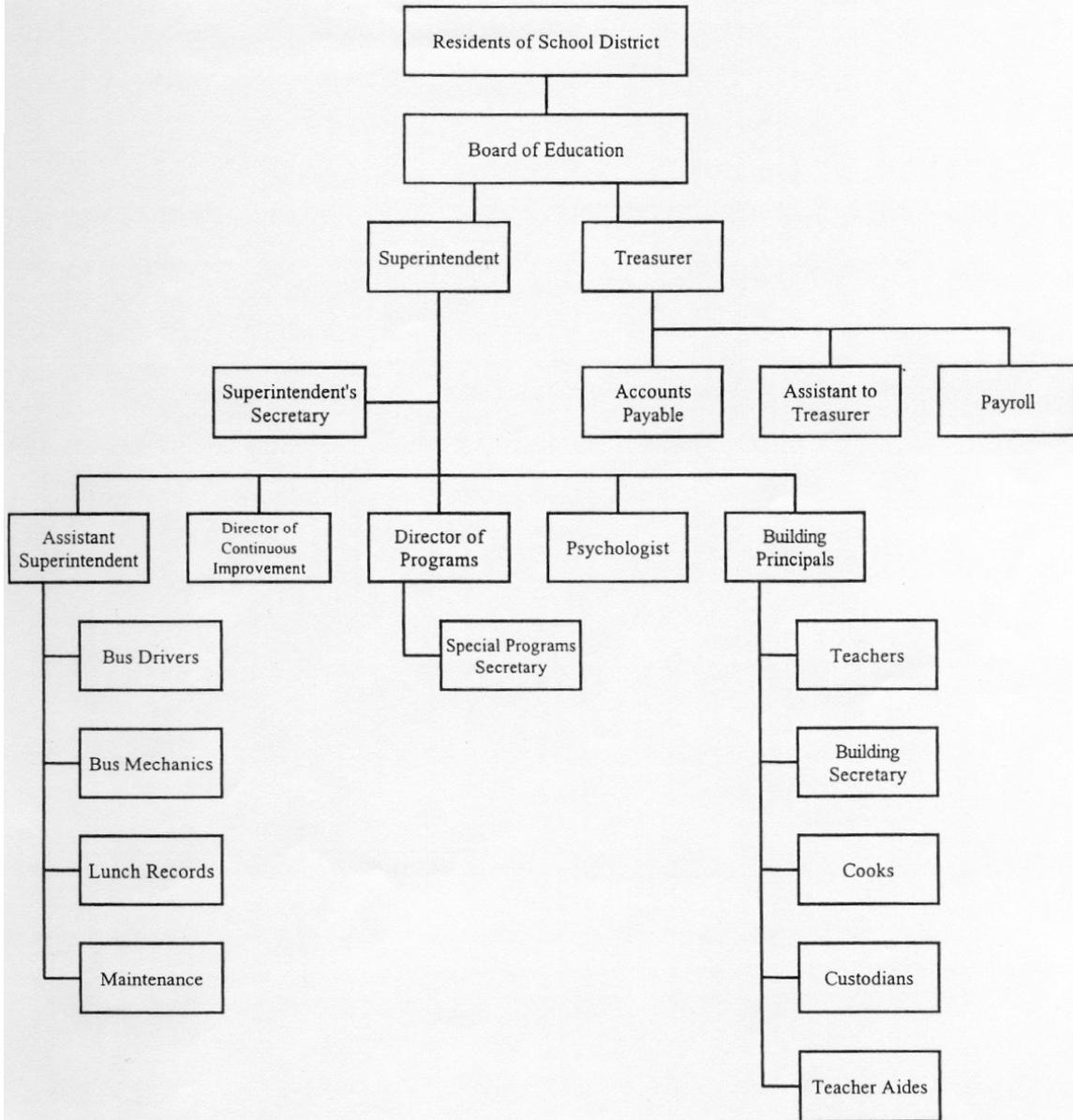
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

Waverly City School District



WAVERLY CITY SCHOOL DISTRICT

FINANCIAL SECTION





Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, Ohio (the School District), as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Waverly City School District, Pike County, as of June 30, 2005, 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 23, 2005, 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 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 to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

December 23, 2005

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
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, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

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

Government-wide Financial Statements

Financial Highlights

- The assets of Waverly City School District exceeded its liabilities at June 30, 2005 by \$43,812,341.
- In total, net assets decreased by \$2,674,837.
- General revenues accounted for \$13,665,062 or 78 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,745,764 or 22 percent of total revenues of \$17,410,826.
- The School District had \$16,629,746 in expenses related to governmental activities; only \$3,745,764 of these expenses were offset by program specific charges for services and sales, grants or contributions.
- The School District also opened four new buildings and demolished the old buildings. The demolition of the old buildings was recognized as a special item in the financial statements in the amount of \$3,455,917

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.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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

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 2005?" The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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

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 2005 and 2004:

(Table 1)
Net Assets
Governmental Activities

	2005	2004
Assets		
Current and Other Assets	\$8,526,176	\$16,626,858
Capital Assets	50,434,315	46,663,108
Total Assets	58,960,491	63,289,966
Liabilities		
Long-Term Liabilities	(9,135,632)	(9,307,818)
Other Liabilities	(6,012,518)	(7,650,346)
Total Liabilities	(15,148,150)	(16,958,164)
Net Assets		
Invested in Capital Assets, Net of Related Debt	43,103,982	42,498,447
Restricted	952,988	639,393
Unrestricted	(244,629)	3,193,962
Total Net Assets	\$43,812,341	\$46,331,802

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Total assets decreased \$4,329,475. This was mainly due to the demolition of the old buildings in the amount of \$3,455,917. Decreases in cash and cash equivalents and intergovernmental receivables related to the School District's expenditures for the construction of its new buildings also contributed to the decrease.

Table 2 shows the changes in net assets for fiscal year 2005.

(Table 2)
Change in Net Assets

	2005	2004
Revenues		
Program Revenues:		
Charges for Services and Sales	\$939,417	\$908,589
Operating Grants and Contributions	2,798,447	3,210,572
Capital Grants and Contributions	7,900	46,200
Total Program Revenues	3,745,764	4,165,361
General Revenues:		
Property Taxes	3,881,110	4,162,373
Grants and Entitlements not Restricted to Specific Programs	9,435,707	8,449,946
Investment Earnings	102,029	161,814
Gifts and Donations	4,475	2,900
Miscellaneous	241,741	211,683
Total General Revenues	13,665,062	12,988,716
 Total Revenues	 \$17,410,826	 \$17,154,077

(continued)

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

(Table 2)
Change in Net Assets
(continued)

	2005	2004
Program Expenses		
Instruction		
Regular	\$7,565,359	\$7,621,366
Special	1,157,809	1,190,478
Vocational	81,722	147,756
Support Services		
Pupil	995,277	827,706
Instructional Staff	1,187,689	1,158,050
Board of Education	39,830	45,493
Administration	1,321,229	1,158,011
Fiscal	404,189	425,265
Operation and Maintenance of Plant	1,266,638	1,249,016
Pupil Transportation	960,198	988,140
Central	10,684	16,945
Operation of Non-Instructional Services		
Food Services	685,502	693,429
Other	10,958	1,257
Extracurricular Activities	486,903	504,173
Intergovernmental	36,425	534,151
Interest and Fiscal Charges	419,334	266,705
Total Expenses	<u>16,629,746</u>	<u>16,827,941</u>
Excess of Revenues Over Expenses		
Before Special Item	781,080	326,136
Special Item-Demolition of Buildings	<u>(3,455,917)</u>	<u>0</u>
Increase (Decrease) in Net Assets	(2,674,837)	326,136
Net Assets Beginning of Year	<u>46,487,178</u>	<u>46,161,042</u>
Net Assets End of Year	<u><u>\$43,812,341</u></u>	<u><u>\$46,487,178</u></u>

Governmental Activities

Grants and Entitlements made up 70 percent of revenues for governmental activities of the Waverly City School District for fiscal year 2005. 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 53 percent of governmental program expenses. Support services expenses make up 37 percent of governmental expenses.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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

(Table 3)
Governmental Activities

	Total Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2005	Net Cost of Services 2004
Instruction	\$8,804,890	\$8,959,600	(\$6,645,196)	(\$6,697,475)
Support Services	6,185,734	5,868,626	(5,415,329)	(5,208,898)
Operation of Non-				
Instructional Services	696,460	694,686	(85,285)	(126,223)
Extracurricular Activities	486,903	504,173	(332,965)	(360,858)
Intergovernmental	36,425	534,151	14,127	(2,421)
Interest and Fiscal Charges	419,334	266,705	(419,334)	(266,705)
Total Expenses	<u>\$16,629,746</u>	<u>\$16,827,941</u>	<u>(\$12,883,982)</u>	<u>(\$12,662,580)</u>

Program revenues decreased by \$419,597. Operating grants and contributions decreased by \$412,125 due to a reduction in restricted grants received from the State of Ohio. Grants and entitlements not restricted for specific purposes increased by \$985,761 due to an increase in state foundation funding and school facilities monies.

Program expenses decreased by \$198,195. Support services increased by \$317,108. This was due to increases in administrative support services expenses related to legal fees incurred in a lawsuit in which the School District was a defendant. The case was settled on October 13, 2004. In addition, pupil support services increased significantly due to increased expenses for additional services provided by the Ross-Pike County Educational Service District. Intergovernmental expenses decreased \$497,726 due to the elimination of the 21st Century Grant.

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 \$17,778,582 and expenditures of \$24,243,800. The net change in fund balance for the year in the General Fund and Construction Capital Projects Fund was a decrease of \$3,409,842 and \$3,273,624, respectively. This was due to more monies being spent on equipping the new buildings and completing building project through the Ohio School Facilities Commission Program in the General Fund and Construction Capital Projects Fund. The net change in fund balance in the Debt Service Fund was an increase of \$71,544, which was due to transfers in for future debt service payments.

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

General Fund revenues increased in fiscal year 2005 by \$91,937, due primarily to an increase in State foundation settlements, and tuition and fees revenue generated from open enrollment. General Fund expenditures increased in fiscal year 2005 by \$2,765,931, due primarily to increased instruction and support services expenditures and increased capital outlay expenditures relating to the School District's payment for construction of a new auditorium and completion of the School District's new instructional buildings. Regular instruction increased \$1,110,980, operation and maintenance increased \$612,421 and pupil transportation increased \$431,285. These increases can be attributed to increased expenses related to the operating and equipping of the new school buildings. Instructional materials and equipment were needed to begin the school year. Three custodians were added since the new buildings are much larger than the vacated facilities and five additional bus drivers were hired to transport students who formerly walked to the downtown facilities.

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 2005 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 \$28,875 above the final budgeted amount in the General Fund.

For the general fund, original budgeted revenues were \$13,899,939 and final budgeted revenues were \$13,388,634. This represents a reduction in estimated revenue of \$511,305, which was primarily due primarily to decreases in property taxes and gifts and donations. The difference between actual budget basis revenues and final budgeted revenues was \$9,109.

Original budgeted expenditures in the general fund were \$16,483,838 and final budgeted expenditures were \$16,688,926. This represents an increase in estimated expenditures of \$205,088, which was due primarily to an increase in regular instruction expenditures. The difference between actual budget basis expenditures and final budgeted expenditures was \$19,766.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2005 the School District had \$50,434,315 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and books and educational media. Table 4 shows fiscal year 2005 balances compared to 2004:

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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

	2005	2004
Land	\$848,500	\$852,800
Construction in Progress	0	41,279,436
Land Improvements	2,884,916	347,412
Buildings and Improvements	43,813,958	2,724,212
Furniture and Equipment	1,375,995	763,990
Vehicles	652,877	695,258
Book and Educational Media	858,069	0
Totals	\$50,434,315	\$46,663,108

Capital assets increased overall due to the completion of the new buildings and the furnishing of equipment in those buildings.

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

Debt

At June 30, 2005, the School District had \$7,933,545 in bonds and loans outstanding, as well as \$168,697 of accretion on capital appreciation bonds outstanding. \$329,272 of the bonds and loans outstanding represent the amounts due within one year. Table 5 summarizes bonds and notes outstanding:

(Table 5)
Outstanding Debt, at Year End

	2005	2004
Loans Payable		
1998-Energy Conservation Loan	\$407,639	\$479,108
General Obligation Bonds:		
2001-Classroom Facilities Bonds	7,525,906	7,725,906
Accretion on Capital		
Appreciation Bonds	168,697	119,587
Totals	\$8,102,242	\$8,324,601

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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

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

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

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

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

The capital appreciation bonds, issued at \$275,906, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years in 2007 thru 2008, with a maturity amount of \$280,000 each year. For fiscal year 2005, the capital appreciation bonds were accreted \$49,110.

As of June 30, 2005, \$7,589,365 of the bond proceeds had been spent toward the project.

The School District's overall legal debt margin was \$6,879,687, with an unvoted debt margin of \$155,993 and an Energy Conservation debt margin of \$996,294 at June 30, 2005.

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

Waverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Current Issues

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Rebecca L. Peden, Treasurer/Chief Financial Officer of Waverly City Board of Education, 500 East Second Street, Waverly, OH 45690-1297 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, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$3,610,252
Cash and Cash Equivalents	
With Escrow Agents	142,712
Accrued Interest Receivable	4,655
Accounts Receivable	80,000
Prepaid Items	5,084
Materials and Supplies Inventory	13,024
Intergovernmental Receivable	184,492
Taxes Receivable	4,377,125
Deferred Charges	108,832
Capital Assets:	
Land	848,500
Depreciable Capital Assets, Net	<u>49,585,815</u>
<i>Total Assets</i>	<u>58,960,491</u>
Liabilities	
Accounts Payable	84,441
Contracts Payable	270,546
Accrued Wages	1,331,802
Intergovernmental Payable	432,886
Deferred Revenue	3,715,337
Undistributed Monies	202
Accrued Interest Payable	34,592
Retainage Payable	142,712
Long-Term Liabilities:	
Due Within One Year	405,276
Due Within More Than One Year	<u>8,730,356</u>
<i>Total Liabilities</i>	<u>15,148,150</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	43,103,982
Restricted for:	
Capital Projects	144,721
Debt Service	306,327
Set Asides	57,076
Other Purposes	444,864
Unrestricted (Deficit)	<u>(244,629)</u>
<i>Total Net Assets</i>	<u><u>\$43,812,341</u></u>

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities			
Instruction:			
Regular	\$7,565,359	\$535,139	\$762,179
Special	1,157,809	0	841,100
Vocational	81,722	0	21,276
Support Services:			
Pupils	995,277	6,981	53,642
Instructional Staff	1,187,689	13,109	514,846
Board of Education	39,830	0	0
Administration	1,321,229	0	155,747
Fiscal	404,189	0	0
Operation and Maintenance of Plant	1,266,638	2,400	0
Pupil Transportation	960,198	0	23,680
Central	10,684	0	0
Operation of Non-Instructional Services:			
Food Services	685,502	247,044	364,131
Other	10,958	0	0
Extracurricular Activities	486,903	134,744	11,294
Intergovernmental	36,425	0	50,552
Interest and Fiscal Charges	419,334	0	0
<i>Total Governmental Activities</i>	<u>\$16,629,746</u>	<u>\$939,417</u>	<u>\$2,798,447</u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Unrestricted Gifts and Donations

Miscellaneous

Total General Revenues

Change in Net Assets Before Special Item

Special Item-Demolition of Buildings

Change in Net Assets

Net Assets Beginning of Year (Restated - Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets	
Capital Grants and Contributions	Governmental Activities
\$0	(\$6,268,041)
0	(316,709)
0	(60,446)
0	(934,654)
0	(659,734)
0	(39,830)
0	(1,165,482)
0	(404,189)
0	(1,264,238)
0	(936,518)
0	(10,684)
0	(74,327)
0	(10,958)
7,900	(332,965)
0	14,127
0	(419,334)
<u>\$7,900</u>	<u>(12,883,982)</u>

3,246,075
570,008
65,027
9,435,707
102,029
4,475
<u>241,741</u>
<u>13,665,062</u>
781,080
<u>(3,455,917)</u>
(2,674,837)
<u>46,487,178</u>
<u>\$43,812,341</u>

Waverly City School District

Balance Sheet

Governmental Funds

June 30, 2005

	General	Debt Service	Construction	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,553,963	\$348,760	\$903,061	\$747,392	\$3,553,176
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	57,076	0	0	0	57,076
Cash and Cash Equivalents with Escrow Agents	0	0	142,712	0	142,712
Receivables:					
Taxes	3,663,413	640,581	0	73,131	4,377,125
Accounts	80,000	0	0	0	80,000
Intergovernmental	0	0	0	184,492	184,492
Accrued Interest	4,655	0	0	0	4,655
Interfund Receivable	117,300	0	0	0	117,300
Prepaid Items	5,084	0	0	0	5,084
Materials and Supplies Inventory	0	0	0	13,024	13,024
<i>Total Assets</i>	<u>\$5,481,491</u>	<u>\$989,341</u>	<u>\$1,045,773</u>	<u>\$1,018,039</u>	<u>\$8,534,644</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$64,974	\$0	\$0	\$19,467	\$84,441
Contracts Payable	0	0	270,546	0	270,546
Accrued Wages	1,115,959	0	0	215,843	1,331,802
Payable from Restricted Assets:					
Retainage Payable	0	0	142,712	0	142,712
Interfund Payable	0	0	0	117,300	117,300
Intergovernmental Payable	362,249	0	0	70,637	432,886
Deferred Revenue	3,380,574	577,513	0	134,453	4,092,540
Undistributed Monies	202	0	0	0	202
<i>Total Liabilities</i>	<u>4,923,958</u>	<u>577,513</u>	<u>413,258</u>	<u>557,700</u>	<u>6,472,429</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	337,533	0	357,261	257,532	952,326
Reserved for Property Taxes	225,696	45,564	0	5,103	276,363
Reserved for Budget Stabilization	57,076	0	0	0	57,076
Unreserved (Deficit):					
Undesignated, Reported in:					
General Fund	(62,772)	0	0	0	(62,772)
Special Revenue Funds	0	0	0	188,957	188,957
Debt Service Fund	0	366,264	0	0	366,264
Capital Projects Funds	0	0	275,254	8,747	284,001
<i>Total Fund Balances</i>	<u>557,533</u>	<u>411,828</u>	<u>632,515</u>	<u>460,339</u>	<u>2,062,215</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,481,491</u>	<u>\$989,341</u>	<u>\$1,045,773</u>	<u>\$1,018,039</u>	<u>\$8,534,644</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, 2005*

Total Governmental Fund Balances \$2,062,215

***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	53,241,587	
Accumulated depreciation	(3,655,772)	
Total capital assets	50,434,315	50,434,315

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	227,723	
Intergovernmental	148,548	
Interest	932	
	377,203	377,203

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. 108,832

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

Bonds and loans payable	(8,102,242)	
Premium on debt issue	(108,908)	
Accrued Interest on bonds	(34,592)	
Capital leases	(2,161)	
Compensated absences	(922,321)	
Total liabilities	(9,170,224)	(9,170,224)

Net Assets of Governmental Activities \$43,812,341

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, 2005

	General	Debt Service	Construction	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$3,260,726	\$570,940	\$0	\$65,168	\$3,896,834
Intergovernmental	9,309,974	71,416	1,071,418	2,123,016	12,575,824
Interest	83,486	0	17,611	0	101,097
Tuition and Fees	529,939	0	0	25,290	555,229
Extracurricular Activities	0	0	0	134,744	134,744
Customer Services	0	0	0	247,044	247,044
Rent	2,400	0	0	0	2,400
Gifts and Donations	10,705	0	0	12,964	23,669
Miscellaneous	162,448	0	400	78,893	241,741
Total Revenues	13,359,678	642,356	1,089,429	2,687,119	17,778,582
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	7,609,017	0	0	655,732	8,264,749
Special	887,931	0	0	285,953	1,173,884
Vocational	80,984	0	0	0	80,984
Support Services:					
Pupils	937,488	0	0	70,327	1,007,815
Instructional Staff	734,487	0	0	433,785	1,168,272
Board of Education	39,830	0	0	0	39,830
Administration	1,145,847	0	0	141,321	1,287,168
Fiscal	390,572	20,020	0	2,276	412,868
Operation and Maintenance of Plant	1,819,766	0	0	29,206	1,848,972
Pupil Transportation	1,456,451	0	0	832	1,457,283
Central	10,684	0	0	0	10,684
Operation of Non-Instructional Services - Food Services	0	0	0	731,046	731,046
Operation of Non-Instructional Services - Other	6,106	0	1,002	3,850	10,958
Extracurricular Activities	303,346	0	0	201,251	504,597
Capital Outlay	1,024,160	0	4,528,315	0	5,552,475
Intergovernmental	0	0	0	36,425	36,425
Debt Service:					
Principal Retirement	11,635	271,469	0	0	283,104
Interest and Fiscal Charges	995	371,691	0	0	372,686
Total Expenditures	16,459,299	663,180	4,529,317	2,592,004	24,243,800
Excess of Revenues Over (Under) Expenditures	(3,099,621)	(20,824)	(3,439,888)	95,115	(6,465,218)
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Capital Assets	76,046	0	0	0	76,046
Transfers In	0	92,368	166,264	127,635	386,267
Transfers Out	(386,267)	0	0	0	(386,267)
Total Other Financing Sources (Uses)	(310,221)	92,368	166,264	127,635	76,046
Net Change in Fund Balances	(3,409,842)	71,544	(3,273,624)	222,750	(6,389,172)
Fund Balances at Beginning of Year	3,967,375	340,284	3,906,139	237,589	8,451,387
Fund Balances at End of Year	\$557,533	\$411,828	\$632,515	\$460,339	\$2,062,215

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, 2005*

Net Change in Fund Balances - Total Governmental Funds (\$6,389,172)

*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	8,546,482	
Depreciation expense	(1,243,312)	
Excess of capital outlay over depreciation expense	7,303,170	7,303,170

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	(76,046)	
Loss on Disposal of Capital Assets	(3,455,917)	
	(3,531,963)	(3,531,963)

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

Delinquent Property Taxes	(15,724)	
Intergovernmental	(352,964)	
Interest	932	
	(367,756)	(367,756)

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

Amortization of bond issuance costs	(5,728)	
Amortization of bond premium	5,732	
	4	4

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

Loan principal retirement	71,469	
Bond principal retirement	200,000	
Capital lease payments	11,635	
Total long-term debt repayment	283,104	283,104

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	(67,540)	
Decrease in accrued interest payable	2,458	
Accretion on bonds	(49,110)	
Decrease in intergovernmental payable	141,968	
Total additional expenditures	27,776	27,776

Change in Net Assets of Governmental Activities (\$2,674,837)

See accompanying notes to the basic financial statements

WAVERLY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$3,669,789	\$3,304,529	\$3,304,529	\$0
Intergovernmental	9,444,807	9,309,974	9,309,974	0
Interest	71,057	70,043	79,152	9,109
Tuition and Fees	537,614	529,939	529,939	0
Rent	2,435	2,400	2,400	0
Gifts and Donations	10,860	10,705	10,705	0
Miscellaneous	163,376	161,044	161,044	0
<i>Total Revenues</i>	13,899,938	13,388,634	13,397,743	9,109
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,113,347	7,226,190	7,219,219	6,971
Special	922,607	884,612	883,689	923
Vocational	103,811	80,265	80,201	64
Other	386,855	437,855	437,380	475
Support Services:				
Pupils	849,729	950,470	949,902	568
Instructional Staff	639,459	714,692	714,091	601
Board of Education	50,497	41,816	41,797	19
Administration	1,108,179	1,142,058	1,135,628	6,430
Fiscal	437,971	387,419	387,265	154
Operation and Maintenance of Plant	2,143,815	2,066,877	2,066,545	332
Pupil Transportation	1,338,618	1,403,266	1,400,097	3,169
Central	14,201	10,660	10,660	0
Operation of Non-Instructional Services	45,440	32,003	32,003	0
Extracurricular Activities	345,418	286,583	286,523	60
Capital Outlay	983,891	1,024,160	1,024,160	0
<i>Total Expenditures</i>	16,483,838	16,688,926	16,669,160	19,766
Excess of Revenues Over (Under) Expenditures	(2,583,900)	(3,300,292)	(3,271,417)	28,875
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	76,046	76,046	0
Refund of Prior Year Expenditures	0	1,405	1,405	0
Refund of Prior Year Receipts	(10,677)	0	0	0
Advances In	0	70,023	70,023	0
Advances Out	(73,974)	(117,301)	(117,301)	0
Transfers Out	(536,362)	(388,221)	(388,221)	0
<i>Total Other Financing Sources (Uses)</i>	(621,013)	(358,048)	(358,048)	0
<i>Net Change in Fund Balance</i>	(3,204,913)	(3,658,340)	(3,629,465)	28,875
Fund Balance at Beginning of Year	4,210,469	4,210,469	4,210,469	0
Prior Year Encumbrances Appropriated	646,928	646,928	646,928	0
Fund Balance at End of Year	\$1,652,484	\$1,199,057	\$1,227,932	\$28,875

See accompanying notes to the basic financial statements

Waverly City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2005

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$20,579</u></u>
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Liabilities

Undistributed Monies	<u><u>\$20,579</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, 2005

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 105 non-certificated employees, 131 certificated full-time teaching personnel and 15 administrative employees who provide services to 2,120 students and other community members. The School District currently operates four instructional buildings, one administrative building, and one garage.

Reporting Entity:

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

Parochial School – Within the School District boundaries, Pike Christian Academy is operated as a private school. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected in a special revenue fund 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, 2005

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

(continued)

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District, however, has no business-type activities.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 2005

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.

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

The other governmental funds of the School District account for grants and other resources 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.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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 is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During fiscal year 2005, the District invested in the State Treasury Asset Reserve of Ohio (STAROhio), money market mutual funds, Federal Home Loan Bank Bonds, and Federal Home Loan Mortgage Corporation 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, 2005.

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 2005 amounted to \$83,486, which includes \$15,250 assigned from other School District funds.

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

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, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Restricted Assets

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the 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 and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

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 columns of the statement of net assets.

K. Compensated Absences

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current 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 activities for food service operations, music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

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

The government-wide statement of net assets reports \$952,988 of restricted net assets, of which, \$645,276 are restricted by enabling legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Balance Reserves

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

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

O. Interfund Transactions

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

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

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

Q. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported 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 certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that was in effect at the time the final appropriations were passed.

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 years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

S. Special Item

Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. See Note 20.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND CORRECTION OF AN ERROR

A. Change in Accounting Principle

For fiscal year 2005, the School District has implemented *GASB Statement No. 40, "Deposit and Investment Risk Disclosures"*, *GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation"* and *GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Post-Employment Benefit Expenditures/Expenses and Liabilities by Cost Sharing Employers"*.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND CORRECTION OF AN ERROR (continued)

GASB Statement No. 40 creates new disclosure requirements for deposits and investments related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The implementation of this statement had no effect on the School District’s financial statements for fiscal year 2005.

GASB Statement No. 46 clarifies how legal enforceability should be applied for determining restricted net assets. The implementation of this new statement had no effect on the School District’s financial statements for fiscal year 2005.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other post-employment benefit (OPEB) plans. The implementation of this bulletin had no effect on the School District’s financial statements for fiscal year 2005.

B. Correction of an Error

During fiscal year 2005, it was determined that accrued interest payable at June 30, 2004 was overstated. This resulted in the following restatement of net assets and change in net assets:

	Governmental Activities
Net Assets, June 30, 2004, as reported	\$46,331,802
Restatement of Accrued Interest Payable	155,376
Net Assets, June 30, 2004, as restated	\$46,487,178
	Governmental Activities
Change in Net Assets, June 30, 2004, as reported	\$170,760
Restatement of Accrued Interest Payable	155,376
Change in Net Assets, June 30, 2004, as restated	\$326,136

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 4 – ACCOUNTABILITY

A. Accountability

At June 30, 2005, the Food Services, Latchkey, Ohio Reads, Alternative Education, and Title VI-R nonmajor special revenue funds had deficit fund balances of \$47,236, \$1,230, \$1,531, \$5,312, and \$5,229, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

The Title VI-R Special Revenue Fund had original appropriations in excess of original estimated resources plus available balances for the fiscal year ended June 30, 2005 in the amount of \$9,783.

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

Net Change in Fund Balance	
GAAP Basis	(\$3,409,842)
Adjustments:	
Revenue Accruals	52,134
Net Decrease in Fair Value of Investments - Fiscal Year 2004	(15,266)
Net Decrease in Fair Value of Investments - Fiscal Year 2005	2,602
Expenditure Accruals	175,848
Encumbrances	(385,709)
Transfers	(1,954)
Advances	(47,278)
Budget Basis	(\$3,629,465)

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$828,933 of the School District's bank balance of \$930,945 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments

As of June 30, 2005, the School District had the following investments, which are in an internal investment pool:

	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$1,021,482	Average 60 Days
Money Market Mutual Funds	20,488	Average 90 Days
Federal Home Loan Bank Bonds	1,158,673	Less than one year
Federal Home Loan Mortgage Corporation Discount Notes	1,118,360	Less than one year
Total Investments	<u>\$3,319,003</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 carries a rating of Aaa by Moody's. The Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation Notes carry ratings of Aaa by Moodys. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation 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.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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 Bonds and 34 percent is invested in Federal Home Loan Mortgage Corporation Discount Notes.

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, 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 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004, and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, however, the June 2005 tangible personal property tax from Pike County was not received until July 2005.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 7 - PROPERTY TAXES (continued)

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, 2005, are available to finance fiscal year 2005 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, 2005, 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. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations.

The amount available as an advance at June 30, 2005, was \$225,696 in the General Fund, \$45,564 in the Debt Service Fund, and \$5,103 in the Classroom Facilities Maintenance Special Revenue Fund. The amount available as an advance at June 30, 2004, was \$277,602 in the General Fund, \$56,258 in the Debt Service Fund, and \$6,334 in the Classroom Facilities Maintenance Special Revenue Fund.

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

The assessed values upon which fiscal year 2005 taxes were collected are:

	2004 Second- Half Collections		2005 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$114,607,680	75.88%	\$121,368,550	77.80%
Public Utility	11,421,250	7.56%	11,414,760	7.32%
Tangible Personal Property	25,005,172	16.56%	23,209,234	14.88%
Total Assessed Value	<u>\$151,034,102</u>	<u>100.00%</u>	<u>\$155,992,544</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$37.12		 \$37.12	

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 8 - RECEIVABLES

Receivables at June 30, 2005, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Preschool	\$15,845
Ohio Reads	3,631
Reading Intervention	21,231
Alternative Education	3,371
Title VI-B	96,319
Title VI	10,532
Drug Free Schools	10,027
Title VI-R	14,216
Title II-D	<u>9,320</u>
Total Intergovernmental Receivables	<u><u>\$184,492</u></u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Ending Balance 6/30/2004	Additions	Deletions	Ending Balance 6/30/2005
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$852,800	\$0	(\$4,300)	\$848,500
Construction in Progress	41,279,436	7,340,407	(48,619,843)	0
Total Capital Assets, Not Being Depreciated	<u>42,132,236</u>	<u>7,340,407</u>	<u>(48,624,143)</u>	<u>848,500</u>
Capital Assets Being Depreciated				
Land Improvements	1,145,296	2,941,207	(748,830)	3,337,673
Buildings and Improvements	6,843,310	44,312,333	(5,657,383)	45,498,260
Furniture and Equipment	3,386,968	1,366,303	(3,147,074)	1,606,197
Vehicles	1,764,324	270,000	(170,942)	1,863,382
Books and Educational Media	690,152	936,075	(690,152)	936,075
Total Capital Assets, Being Depreciated	<u>13,830,050</u>	<u>49,825,918</u>	<u>(10,414,381)</u>	<u>53,241,587</u>
Less Accumulated Depreciation:				
Land Improvements	(797,884)	(103,769)	448,896	(452,757)
Buildings and Improvements	(4,119,098)	(735,732)	3,170,528	(1,684,302)
Furniture and Equipment	(2,622,978)	(77,400)	2,470,176	(230,202)
Vehicles	(1,069,066)	(248,405)	106,966	(1,210,505)
Books and Educational Media	(690,152)	(78,006)	690,152	(78,006)
Total Accumulated Depreciation	<u>(9,299,178)</u>	<u>(1,243,312) *</u>	<u>6,886,718</u>	<u>(3,655,772)</u>
Total Capital Assets Being Depreciated, Net	<u>4,530,872</u>	<u>48,582,606</u>	<u>(3,527,663)</u>	<u>49,585,815</u>
Governmental Activities Capital Assets, Net	<u>\$46,663,108</u>	<u>\$55,923,013</u>	<u>(\$52,151,806)</u>	<u>\$50,434,315</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 9 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$859,557
Support Services:	
Pupils	9,428
Instructional Staff	57,031
Administration	16,643
Pupil Transportation	270,554
Operation of Non-Instruction Services:	
Food Services	10,312
Extracurricular Activities	19,787
Total Depreciation Expense	<u>\$1,243,312</u>

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

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 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 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, 2005, 2004, and 2003, were \$246,778, \$191,188, and \$187,937, respectively; 49.86 percent has been contributed for fiscal year 2005 and 100 percent for the fiscal years 2004 and 2003.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System of Ohio

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio web site 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 20, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2005, 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 2004, the portion used to fund pension obligations was 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, 2005

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2005, 2004, and 2003, were \$1,005,346, \$908,167 and \$959,354, respectively; 82.57 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$5,853 made by the School District and \$10,252 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2005, one member of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

All retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$77,334 for fiscal year 2005.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268,739,000 and STRS Ohio had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll. 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 2005, the minimum pay was established at \$27,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2005 fiscal year equaled \$122,223.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Insurance Benefits

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 12 - EMPLOYEE BENEFITS (continued)

C. Deferred Compensation

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

NOTE 13 - LEASES - LESSEE DISCLOSURE

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

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Modular Classroom	\$65,000	\$39,000	\$26,000
Copier Equipment	35,005	17,781	17,224
Totals	<u>\$100,005</u>	<u>\$56,781</u>	<u>\$43,224</u>

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, 2005:

<u>Fiscal Year Ending June 30,</u>	<u>Total Payments</u>
2006	\$2,161
Less: Amount Representing Interest	<u>0</u>
Present Value of Net Minimum Lease Payments	<u>\$2,161</u>

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 2005 totaled \$86,444 in the General Fund.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 13 - LEASES - LESSEE DISCLOSURE (continued)

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

Fiscal Year Ending June 30,	Total Payments
2006	\$86,444
2007	86,444
2008	86,444
2009	86,444
Total	<u>\$345,776</u>

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2005 were as follows:

	Amount Outstanding 6/30/04	Additions	Deductions	Amount Outstanding 6/30/05	Amounts Due in One Year
<u>Governmental Activities:</u>					
1998 Energy Conservation					
Loan - 4.35%	\$479,108	\$0	\$71,469	\$407,639	\$74,272
<u>General Obligation Bonds:</u>					
2001 Classroom Facilities:					
Term Bonds 5.10%	1,200,000	0	0	1,200,000	0
Serial Bonds 4.00 to 5.10%	6,250,000	0	200,000	6,050,000	255,000
Capital Appreciation					
Bonds 12.26%	275,906	0	0	275,906	0
Accretion on Capital					
Appreciation Bonds	119,587	49,110	0	168,697	0
Premium on Debt Issue	114,640	0	5,732	108,908	0
Compensated Absences	854,781	150,656	83,116	922,321	73,843
Capital Leases	13,796	0	11,635	2,161	2,161
Total Governmental Activities					
Long-Term Obligations	<u>\$9,307,818</u>	<u>\$199,766</u>	<u>\$371,952</u>	<u>\$9,135,632</u>	<u>\$405,276</u>

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

1998 Energy Conservation Loan

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

2001 Classroom Facilities General Obligation Bonds

On June 14, 2001, the School District issued \$8,085,906 in voted general obligation bonds for the purpose of constructing new classroom facilities. Current interest bonds were issued in an aggregate principal amount of \$7,810,000. Of these bonds, \$6,610,000 are serial bonds, \$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%.

The capital appreciation bonds, issued at \$275,906, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years in 2007 thru 2008, with a maturity amount of \$280,000 each year. For fiscal year 2005, the capital appreciation bonds were accreted \$49,110.

As of June 30, 2005, \$7,589,365 of the bond proceeds had been spent toward the construction project.

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

The School District's overall legal debt margin was \$6,879,687 with an unvoted debt margin of \$155,993, and an Energy Conservation debt margin of \$996,294 at June 30, 2005.

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2005, are as follows:

Energy Conservation Loan - 1998			
Fiscal year Ending June 30,	Principal	Interest	Total
2006	\$74,272	\$18,081	\$92,353
2007	77,574	14,779	92,353
2008	81,023	11,330	92,353
2009	84,625	7,728	92,353
2010	90,145	1,518	91,663
Total	\$407,639	\$53,436	\$461,075

Classroom Facilities General Obligation Bonds - 2001							
Fiscal Year Ending June 30,	Term Bonds Principal	Term Bonds Interest	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Total
2006	\$0	\$0	\$255,000	\$341,703	\$0	\$0	\$596,703
2007	0	0	0	336,603	146,151	133,849	616,603
2008	0	0	0	336,603	129,755	150,245	616,603
2009	0	0	280,000	330,932	0	0	610,932
2010	0	0	310,000	318,752	0	0	628,752
2011-2015	0	0	1,810,000	1,368,542	0	0	3,178,542
2016-2020	0	0	2,305,000	878,845	0	0	3,183,845
2021-2024	1,200,000	92,565	1,090,000	147,890	0	0	2,530,455
Total	\$1,200,000	\$92,565	\$6,050,000	\$4,059,870	\$275,906	\$284,094	\$11,962,435

NOTE 15 - RISK MANAGEMENT

A. Property and Liability

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

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 - RISK MANAGEMENT (continued)

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

Building and Business Personal Property Coverage (\$1,000 deductible)	\$42,572,359
Equipment Breakdown (Boiler/Machinery) Coverage (\$1,000 deductible)	42,177,359
Automobile Liability (\$1,000 deductible for buses; \$500 for other)	2,000,000
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	3,000,000
Aggregate Limit	1,000,000
Educational Legal Liability:	
Errors and Omissions Injury Limit (\$2,500 deductible)	1,000,000
Errors and Omissions Aggregate Limit	2,000,000
Employment Practices Injury Limit (\$2,500 deductible)	1,000,000

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

The 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, 2005

NOTE 15 - RISK MANAGEMENT (continued)

B. Workers' Compensation

For fiscal year 2005, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the GRP.

NOTE 16 - INTERFUND ACTIVITY

A. Interfund Transfers

Transfers made during the year ended June 30, 2005, were as follows:

		Transfer From
		General
Transfer To	Debt Service Fund	\$92,368
	Construction Fund	166,264
	Other Governmental Funds	127,635
	Total	\$386,267

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.

B. Interfund Receivables/Payables

As of June 30, 2005, receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		General
Payable	Other Governmental Funds	\$117,300

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 16 - 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. All amounts are expected to be repaid in one year.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, Vinton, Jackson and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing body of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, and a representative of the fiscal agent. The School District paid SCOCA \$27,028 for services provided during the year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

B. Pike County Joint Vocational School

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

C. Coalition of Rural and Appalachian Schools

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

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (continued)

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

D. Pilasco-Ross Special Education Regional Resource Center

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

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

NOTE 18 - INSURANCE PURCHASING POOLS

A. Ohio School Plan

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 18 - 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 year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 19 - SET-ASIDE CALCULATIONS

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

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2004	(\$672,594)	\$0	\$57,076
Current Year Set-aside Requirement	296,395	296,395	0
Current Year Offsets	0	(74,254)	0
Qualifying Disbursements	(828,198)	(1,716,812)	0
Totals	<u>(\$1,204,397)</u>	<u>(\$1,494,671)</u>	<u>\$57,076</u>
Set-aside Reserve Balance as of June 30, 2005	<u>\$0</u>	<u>\$0</u>	<u>\$57,076</u>
Required Set-aside Balances Carried Forward to FY 2005	<u>(\$1,204,397)</u>	<u>\$0</u>	<u>\$57,076</u>

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

Waverly City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 20 – SPECIAL ITEM

As a result of the completion of the School District's four new instructional buildings, constructed through the Ohio School Facilities Commission Classroom Facilities Assistance Program, the School District demolished its four old instructional buildings, and disposed of most of their contents and improvements as well. The difference between the historical cost of these assets and their accumulated depreciation at the time of demolition and disposal resulted in a loss on disposal of capital assets of \$3,455,917, which is reported as a special item on the government-wide statement of activities.

NOTE 21 - CONTINGENCIES

A. Grants

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

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

B. Litigation

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

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Waverly City School District

Combining and Individual Fund Statements and Schedules

Waverly City School District

Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

FOOD SERVICES

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

UNIFORM SCHOOL SUPPLIES

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

PUBLIC SCHOOL SUPPORT

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

LATCHKEY

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

UNDERGROUND STORAGE TANK

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

CLASSROOM FACILITIES MAINTENANCE

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

ATHLETICS

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

AUXILIARY SERVICES

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

(continued)

Waverly City School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

TEACHER DEVELOPMENT

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

EDUCATION MANAGEMENT INFORMATION SYSTEMS

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

PRESCHOOL

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

DISADVANTAGED PUPIL IMPACT AID

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

ONENET

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

SCHOOLNET PROFESSIONAL DEVELOPMENT

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

OHIO READS

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

READING INTERVENTION

To account for State monies and expenditures for educational programs for children in grades 1 through 4 to assist in adequate preparation for the reading portion of the fourth grade proficiency exam.

ALTERNATIVE EDUCATION

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

(continued)

Waverly City School District

Fund Descriptions

Nonmajor Special Revenue Funds (Continued)

MISCELLANEOUS STATE GRANTS

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

TITLE VI-B

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

TITLE I

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

TITLE VI

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

DRUG FREE SCHOOLS

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

TITLE VI-R

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

TITLE II-D

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

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

(Continued)

Nonmajor Capital Projects Funds

PERMANENT IMPROVEMENT

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

SCHOOLNET

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

Agency Fund

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

STUDENT MANAGED ACTIVITY

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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<hr/>	<hr/>	<hr/>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$738,645	\$8,747	\$747,392
Receivables:			
Taxes	73,131	0	73,131
Intergovernmental	184,492	0	184,492
Materials and Supplies Inventory	13,024	0	13,024
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$1,009,292</u>	<u>\$8,747</u>	<u>\$1,018,039</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$19,467	\$0	\$19,467
Accrued Wages	215,843	0	215,843
Interfund Payable	117,300	0	117,300
Intergovernmental Payable	70,637	0	70,637
Deferred Revenue	134,453	0	134,453
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>557,700</u>	<u>0</u>	<u>557,700</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	257,532	0	257,532
Reserved for Property Taxes	5,103	0	5,103
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	188,957	0	188,957
Capital Projects Funds	0	8,747	8,747
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	<u>451,592</u>	<u>8,747</u>	<u>460,339</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,009,292</u>	<u>\$8,747</u>	<u>\$1,018,039</u>

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$65,168	\$0	\$65,168
Intergovernmental	2,123,016	0	2,123,016
Tuition and Fees	25,290	0	25,290
Extracurricular Activities	134,744	0	134,744
Customer Services	247,044	0	247,044
Gifts and Donations	12,964	0	12,964
Miscellaneous	78,893	0	78,893
<i>Total Revenues</i>	<u>2,687,119</u>	<u>0</u>	<u>2,687,119</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	622,808	32,924	655,732
Special	285,953	0	285,953
Support Services:			
Pupils	70,327	0	70,327
Instructional Staff	433,785	0	433,785
Administration	141,321	0	141,321
Fiscal	2,276	0	2,276
Operation and Maintenance of Plant	29,206	0	29,206
Pupil Transportation	832	0	832
Operation of Non-Instructional Services - Food Services	731,046	0	731,046
Operation of Non-Instructional Services - Other	3,850	0	3,850
Extracurricular Activities	201,251	0	201,251
Intergovernmental	36,425	0	36,425
<i>Total Expenditures</i>	<u>2,559,080</u>	<u>32,924</u>	<u>2,592,004</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	128,039	(32,924)	95,115
<u>Other Financing Sources:</u>			
Transfers In	127,635	0	127,635
<i>Net Change in Fund Balances</i>	255,674	(32,924)	222,750
<i>Fund Balances at Beginning of Year</i>	<u>195,918</u>	<u>41,671</u>	<u>237,589</u>
<i>Fund Balances at End of Year</i>	<u><u>\$451,592</u></u>	<u><u>\$8,747</u></u>	<u><u>\$460,339</u></u>

Waverly City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2005

	Food Services	Public School Support	Latchkey	Underground Storage Tank
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$7,881	\$44,349	\$0	\$11,000
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Materials and Supplies Inventory	13,024	0	0	0
<i>Total Assets</i>	<u>\$20,905</u>	<u>\$44,349</u>	<u>\$0</u>	<u>\$11,000</u>
 <u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$2,064	\$0	\$0
Accrued Wages	39,858	0	0	0
Interfund Payable	0	0	1,230	0
Intergovernmental Payable	28,283	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>68,141</u>	<u>2,064</u>	<u>1,230</u>	<u>0</u>
 <u>Fund Balances:</u>				
Reserved for Encumbrances	7,882	866	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	(55,118)	41,419	(1,230)	11,000
<i>Total Fund Balances (Deficit)</i>	<u>(47,236)</u>	<u>42,285</u>	<u>(1,230)</u>	<u>11,000</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$20,905</u>	<u>\$44,349</u>	<u>\$0</u>	<u>\$11,000</u>

Classroom Facilities Maintenance	Athletics	Auxiliary Services	Teacher Development	Education Management Information Systems
\$272,860	\$22,241	\$8,575	\$666	\$6,615
73,131	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$345,991</u>	<u>\$22,241</u>	<u>\$8,575</u>	<u>\$666</u>	<u>\$6,615</u>
\$2,403	\$1,036	\$3,162	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	688	0	0
65,905	0	0	0	0
<u>68,308</u>	<u>1,036</u>	<u>3,850</u>	<u>0</u>	<u>0</u>
0	1,153	6,968	0	6,615
5,103	0	0	0	0
272,580	20,052	(2,243)	666	0
<u>277,683</u>	<u>21,205</u>	<u>4,725</u>	<u>666</u>	<u>6,615</u>
<u>\$345,991</u>	<u>\$22,241</u>	<u>\$8,575</u>	<u>\$666</u>	<u>\$6,615</u>

(continued)

Waverly City School District

*Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005
(Continued)*

	Preschool	Disadvantaged Pupil Impact Aid	OneNet	SchoolNet Professional Development
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$18,468	\$154,524	\$12,000	\$3,723
Receivables:				
Taxes	0	0	0	0
Intergovernmental	15,845	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$34,313</u>	<u>\$154,524</u>	<u>\$12,000</u>	<u>\$3,723</u>
 <u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$0	\$2,030
Accrued Wages	15,741	53,332	0	0
Interfund Payable	13,745	0	0	0
Intergovernmental Payable	403	13,166	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>29,889</u>	<u>66,498</u>	<u>0</u>	<u>2,030</u>
 <u>Fund Balances:</u>				
Reserved for Encumbrances	18,470	124,487	12,000	693
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	(14,046)	(36,461)	0	1,000
<i>Total Fund Balances (Deficit)</i>	<u>4,424</u>	<u>88,026</u>	<u>12,000</u>	<u>1,693</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$34,313</u>	<u>\$154,524</u>	<u>\$12,000</u>	<u>\$3,723</u>

<u>Ohio Reads</u>	<u>Reading Intervention</u>	<u>Alternative Education</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>
\$3,724	\$17,246	\$1,860	\$755	\$31,299
0	0	0	0	0
3,631	21,231	3,371	0	96,319
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$7,355</u>	<u>\$38,477</u>	<u>\$5,231</u>	<u>\$755</u>	<u>\$127,618</u>

\$3,724	\$2,442	\$0	\$0	\$0
0	0	6,202	0	24,090
3,631	21,231	3,371	0	44,516
0	64	970	0	8,833
<u>1,531</u>	<u>13,102</u>	<u>0</u>	<u>0</u>	<u>25,013</u>
<u>8,886</u>	<u>36,839</u>	<u>10,543</u>	<u>0</u>	<u>102,452</u>

0	14,805	1,859	0	31,299
0	0	0	0	0
<u>(1,531)</u>	<u>(13,167)</u>	<u>(7,171)</u>	<u>755</u>	<u>(6,133)</u>
<u>(1,531)</u>	<u>1,638</u>	<u>(5,312)</u>	<u>755</u>	<u>25,166</u>
<u>\$7,355</u>	<u>\$38,477</u>	<u>\$5,231</u>	<u>\$755</u>	<u>\$127,618</u>

(continued)

Waverly City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005
(Continued)

	Title I	Title VI	Drug Free Schools	Title VI-R
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$85,279	\$11,833	\$9,110	\$3,319
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	10,532	10,027	14,216
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	\$85,279	\$22,365	\$19,137	\$17,535
 <u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$529	\$0	\$0	\$306
Accrued Wages	58,185	0	0	18,435
Interfund Payable	0	10,229	10,027	0
Intergovernmental Payable	15,552	0	0	2,678
Deferred Revenue	0	10,532	7,705	1,345
<i>Total Liabilities</i>	74,266	20,761	17,732	22,764
 <u>Fund Balances:</u>				
Reserved for Encumbrances	204	11,574	9,111	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	10,809	(9,970)	(7,706)	(5,229)
<i>Total Fund Balances (Deficit)</i>	11,013	1,604	1,405	(5,229)
<i>Total Liabilities and Fund Balances</i>	\$85,279	\$22,365	\$19,137	\$17,535

Title II-D	Total Nonmajor Special Revenue Funds
\$11,318	\$738,645
0	73,131
9,320	184,492
0	13,024
<u>\$20,638</u>	<u>\$1,009,292</u>

\$1,771	\$19,467
0	215,843
9,320	117,300
0	70,637
9,320	134,453
<u>20,411</u>	<u>557,700</u>

9,546	257,532
0	5,103
(9,319)	188,957
<u>227</u>	<u>451,592</u>
<u>\$20,638</u>	<u>\$1,009,292</u>

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	Food Services	Uniform School Supplies	Public School Support	Latchkey
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	364,131	0	0	0
Tuition and Fees	0	5,200	0	20,090
Extracurricular Activities	0	0	0	0
Customer Services	247,044	0	0	0
Gifts and Donations	0	0	1,670	0
Miscellaneous	0	0	50,916	0
<i>Total Revenues</i>	<u>611,175</u>	<u>5,200</u>	<u>52,586</u>	<u>20,090</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	17,373	14,158	0
Special	0	0	1,456	0
Support Services:				
Pupils	0	0	14,469	7,408
Instructional Staff	0	0	4,851	13,912
Administration	0	0	21,170	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	58	0
Operation of Non-Instructional Services - Food Services	731,046	0	0	0
Operation of Non-Instructional Services - Other	0	0	0	0
Extracurricular Activities	0	0	4,442	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>731,046</u>	<u>17,373</u>	<u>60,604</u>	<u>21,320</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(119,871)	(12,173)	(8,018)	(1,230)
<u>Other Financing Sources:</u>				
Transfers In	99,490	21,836	0	0
<i>Net Change in Fund Balances</i>	(20,381)	9,663	(8,018)	(1,230)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(26,855)</u>	<u>(9,663)</u>	<u>50,303</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>(\$47,236)</u>	<u>\$0</u>	<u>\$42,285</u>	<u>(\$1,230)</u>

Underground Storage Tank	Classroom Facilities Maintenance	Athletics	Auxiliary Services	Teacher Development
\$0	\$65,168	\$0	\$0	\$0
0	7,979	0	41,232	0
0	0	0	0	0
0	0	134,744	0	0
0	0	0	0	0
0	0	11,294	0	0
0	0	27,977	0	0
0	73,147	174,015	41,232	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	2,276	0	0	0
0	29,206	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	3,850	0
0	0	196,809	0	0
0	0	0	36,151	0
0	31,482	196,809	40,001	0
0	41,665	(22,794)	1,231	0
0	0	6,309	0	0
0	41,665	(16,485)	1,231	0
11,000	236,018	37,690	3,494	666
<u>\$11,000</u>	<u>\$277,683</u>	<u>\$21,205</u>	<u>\$4,725</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, 2005
(Continued)

	Education Management Information Systems	Preschool	Disadvantaged Pupil Impact Aid	OneNet
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	6,615	126,550	516,323	12,000
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>6,615</u>	<u>126,550</u>	<u>516,323</u>	<u>12,000</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	3,800	92,764	287,972	0
Special	0	0	0	0
Support Services:				
Pupils	4,000	0	0	0
Instructional Staff	0	11,314	119,387	0
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
Operation of Non-Instructional Services - Other	0	0	0	0
Extracurricular Activities	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>7,800</u>	<u>104,078</u>	<u>407,359</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,185)	22,472	108,964	12,000
<u>Other Financing Sources:</u>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(1,185)	22,472	108,964	12,000
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>7,800</u>	<u>(18,048)</u>	<u>(20,938)</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$6,615</u></u>	<u><u>\$4,424</u></u>	<u><u>\$88,026</u></u>	<u><u>\$12,000</u></u>

SchoolNet Professional Development	Ohio Reads	Reading Intervention	Alternative Education
\$0	\$0	\$0	\$0
4,140	19,469	28,348	44,770
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
4,140	19,469	28,348	44,770
0	19,023	5,458	43,235
0	0	21,187	0
0	0	0	0
3,747	1,996	22	0
0	0	0	809
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
3,747	21,019	26,667	44,044
393	(1,550)	1,681	726
0	0	0	0
393	(1,550)	1,681	726
1,300	19	(43)	(6,038)
<u>\$1,693</u>	<u>(\$1,531)</u>	<u>\$1,638</u>	<u>(\$5,312)</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, 2005
(Continued)

	Miscellaneous State Grants	Title VI-B	Title I	Title VI
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	2,048	313,329	483,520	1,042
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>2,048</u>	<u>313,329</u>	<u>483,520</u>	<u>1,042</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	91,710	171,600	0
Support Services:				
Pupils	2,048	0	18,623	23,779
Instructional Staff	0	56,061	214,115	0
Administration	0	115,274	4,068	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	774	0
Operation of Non-Instructional Services - Food Services	0	0	0	0
Operation of Non-Instructional Services - Other	0	0	0	0
Extracurricular Activities	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>2,048</u>	<u>263,045</u>	<u>409,180</u>	<u>23,779</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	50,284	74,340	(22,737)
<u>Other Financing Sources:</u>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	0	50,284	74,340	(22,737)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>755</u>	<u>(25,118)</u>	<u>(63,327)</u>	<u>24,341</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$755</u></u>	<u><u>\$25,166</u></u>	<u><u>\$11,013</u></u>	<u><u>\$1,604</u></u>

Drug Free Schools	Title VI-R	Title II-D	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$65,168
5,865	141,535	4,120	2,123,016
0	0	0	25,290
0	0	0	134,744
0	0	0	247,044
0	0	0	12,964
0	0	0	78,893
<u>5,865</u>	<u>141,535</u>	<u>4,120</u>	<u>2,687,119</u>
6,216	122,975	9,834	622,808
0	0	0	285,953
0	0	0	70,327
0	5,731	2,649	433,785
0	0	0	141,321
0	0	0	2,276
0	0	0	29,206
0	0	0	832
0	0	0	731,046
0	0	0	3,850
0	0	0	201,251
0	0	274	36,425
<u>6,216</u>	<u>128,706</u>	<u>12,757</u>	<u>2,559,080</u>
(351)	12,829	(8,637)	128,039
<u>0</u>	<u>0</u>	<u>0</u>	<u>127,635</u>
(351)	12,829	(8,637)	255,674
<u>1,756</u>	<u>(18,058)</u>	<u>8,864</u>	<u>195,918</u>
<u>\$1,405</u>	<u>(\$5,229)</u>	<u>\$227</u>	<u>\$451,592</u>

Waverly City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	0	32,924	32,924
<i>Net Change in Fund Balances</i>	0	(32,924)	(32,924)
<i>Fund Balances at Beginning of Year</i>	8,747	32,924	41,671
<i>Fund Balances at End of Year</i>	\$8,747	\$0	\$8,747

Waverly City School District
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	<u>Balance at 6/30/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/05</u>
<u>STUDENT MANAGED ACTIVITY</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$31,787</u>	<u>\$49,560</u>	<u>\$60,768</u>	<u>\$20,579</u>
<u>Liabilities:</u>				
Undistributed Monies	<u>\$31,787</u>	<u>\$49,560</u>	<u>\$60,768</u>	<u>\$20,579</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Property Taxes	\$3,669,789	\$3,304,529	\$3,304,529	\$0
Intergovernmental	9,444,807	9,309,974	9,309,974	0
Interest	71,057	70,043	79,152	9,109
Tuition and Fees	537,614	529,939	529,939	0
Rent	2,435	2,400	2,400	0
Gifts and Donations	10,860	10,705	10,705	0
Miscellaneous	163,376	161,044	161,044	0
<i>Total Revenues</i>	13,899,938	13,388,634	13,397,743	9,109
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries and Wages	4,650,426	4,743,438	4,742,688	750
Fringe Benefits	1,325,120	1,401,451	1,401,335	116
Purchased Services	303,536	299,780	296,482	3,298
Materials and Supplies	452,381	458,824	456,017	2,807
Capital Outlay - New	373,645	319,482	319,482	0
Capital Outlay - Replacement	41	0	0	0
Other	8,198	3,215	3,215	0
<i>Total Regular Instruction</i>	7,113,347	7,226,190	7,219,219	6,971
Special Instruction:				
Salaries and Wages	573,049	605,787	605,787	0
Fringe Benefits	157,445	158,999	158,999	0
Purchased Services	169,235	103,122	103,122	0
Materials and Supplies	14,099	12,224	11,301	923
Capital Outlay - New	7,271	3,701	3,701	0
Other	1,508	779	779	0
<i>Total Special Instruction</i>	922,607	884,612	883,689	923
Vocational Instruction:				
Salaries and Wages	59,581	58,352	58,352	0
Fringe Benefits	39,419	16,951	16,951	0
Purchased Services	1,093	300	300	0
Materials and Supplies	3,471	4,565	4,501	64
Other	247	97	97	0
<i>Total Vocational Instruction</i>	103,811	80,265	80,201	64
Other Instruction:				
Purchased Services	386,855	437,855	437,380	475
<i>Total Instruction</i>	\$8,526,620	\$8,628,922	\$8,620,489	\$8,433

(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, 2004
(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Support Services:				
Pupils:				
Salaries and Wages	\$455,595	\$489,533	\$489,533	\$0
Fringe Benefits	133,960	137,778	137,778	0
Purchased Services	239,940	304,470	303,902	568
Materials and Supplies	9,343	10,476	10,476	0
Capital Outlay - New	9,957	7,868	7,868	0
Other	934	345	345	0
Total Pupils	849,729	950,470	949,902	568
Instructional Staff:				
Salaries and Wages	403,631	465,118	465,118	0
Fringe Benefits	189,551	204,425	204,373	52
Purchased Services	20,404	18,272	17,723	549
Materials and Supplies	20,348	25,288	25,288	0
Capital Outlay - New	4,311	755	755	0
Other	1,214	834	834	0
Total Instructional Staff	639,459	714,692	714,091	601
Board of Education:				
Salaries and Wages	10,160	10,160	10,160	0
Fringe Benefits	2,376	2,406	2,406	0
Purchased Services	10,858	6,103	6,103	0
Materials and Supplies	1,861	1,795	1,795	0
Other	25,242	21,352	21,333	19
Total Board of Education	50,497	41,816	41,797	19
Administration:				
Salaries and Wages	720,679	737,522	737,522	0
Fringe Benefits	225,098	230,941	227,278	3,663
Purchased Services	124,200	139,730	137,061	2,669
Materials and Supplies	24,213	25,553	25,455	98
Capital Outlay - New	8,573	3,990	3,990	0
Capital Outlay - Replacement	442	0	0	0
Other	4,974	4,322	4,322	0
Total Administration	1,108,179	1,142,058	1,135,628	6,430
Fiscal:				
Salaries and Wages	142,447	143,607	143,607	0
Fringe Benefits	62,396	61,365	61,365	0
Purchased Services	30,004	25,183	25,029	154
Materials and Supplies	3,381	4,680	4,680	0
Capital Outlay - New	1,540	884	884	0
Other	198,203	151,700	151,700	0
Total Fiscal	\$437,971	\$387,419	\$387,265	\$154

(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, 2004
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation and Maintenance of Plant:				
Salaries and Wages	\$530,844	\$517,267	\$517,218	\$49
Fringe Benefits	204,259	225,106	225,106	0
Purchased Services	1,110,200	995,464	995,182	282
Materials and Supplies	129,307	171,342	171,341	1
Capital Outlay - New	150,935	153,232	153,232	0
Other	18,270	4,466	4,466	0
Total Operation and Maintenance of Plant	2,143,815	2,066,877	2,066,545	332
Pupil Transportation:				
Salaries and Wages	432,579	423,448	421,683	1,765
Fringe Benefits	241,789	272,278	272,278	0
Purchased Services	61,978	61,267	60,597	670
Materials and Supplies	138,204	172,934	172,200	734
Capital Outlay - New	63,545	14,943	14,943	0
Capital Outlay - Replacement	380,111	456,469	456,469	0
Other	20,412	1,927	1,927	0
Total Pupil Transportation	1,338,618	1,403,266	1,400,097	3,169
Central:				
Purchased Services	14,201	10,660	10,660	0
Total Support Services	6,582,469	6,717,258	6,705,985	11,273
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	\$1,160	\$826	\$826	\$0
Fringe Benefits	213	114	114	0
Materials and Supplies	2,402	2,160	2,160	0
Capital Outlay - New	41,665	28,903	28,903	0
Total Operation of Non-Instructional Services	45,440	32,003	32,003	0
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	28,591	26,270	26,270	0
Fringe Benefits	4,079	2,543	2,543	0
Purchased Services	377	275	275	0
Materials and Supplies	513	216	216	0
Total Academic and Subject Oriented Activities	33,560	29,304	29,304	0
Sports Oriented Activities:				
Salaries and Wages	180,631	178,205	178,205	0
Fringe Benefits	33,823	33,897	33,897	0
Purchased Services	31,454	11,269	11,209	60
Materials and Supplies	1,192	670	670	0
Capital Outlay - New	46,845	16,125	16,125	0
Other	59	23	23	0
Total Sports Oriented Activities	\$294,004	\$240,189	\$240,129	\$60

(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, 2004
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
School and Public Service Activities:				
Salaries and Wages	\$15,718	\$14,920	\$14,920	\$0
Fringe Benefits	2,136	2,170	2,170	0
Total School and Public Service Activities	17,854	17,090	17,090	0
Total Extracurricular Activities	345,418	286,583	286,523	60
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	939,199	992,661	992,661	0
Building Acquisition and Construction Services:				
Purchased Services	19,466	7,478	7,478	0
Capital Outlay - New	25,151	22,713	22,713	0
Other	75	78	78	0
Total Building Acquisition and Construction Services	44,692	30,269	30,269	0
Building Improvement Services:				
Purchased Services	0	1,230	1,230	0
Total Building Improvement Services	0	1,230	1,230	0
Total Capital Outlay	983,891	1,024,160	1,024,160	0
Intergovernmental:				
Other	0			0
<i>Total Expenditures</i>	16,483,838	16,688,926	16,669,160	19,766
Excess of Revenues Over (Under) Expenditures	(2,583,900)	(3,300,292)	(3,271,417)	28,875
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets		76,046	76,046	0
Refund of Prior Year Expenditures		1,405	1,405	0
Refund of Prior Year Receipts	(10,677)			0
Advances In		70,023	70,023	0
Advances Out	(73,974)	(117,301)	(117,301)	0
Transfers Out	(536,362)	(388,221)	(388,221)	0
<i>Total Other Financing Sources (Uses)</i>	(621,013)	(358,048)	(358,048)	0
<i>Net Change in Fund Balance</i>	(3,204,913)	(3,658,340)	(3,629,465)	28,875
Fund Balance at Beginning of Year	4,210,469	4,210,469	4,210,469	0
Prior Year Encumbrances Appropriated	646,928	646,928	646,928	0
Fund Balance at End of Year	<u>\$1,652,484</u>	<u>\$1,199,057</u>	<u>\$1,227,932</u>	<u>\$28,875</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$659,088	\$580,606	\$580,606	\$0
Intergovernmental	92,368	71,416	71,416	0
<i>Total Revenues</i>	<u>751,456</u>	<u>652,022</u>	<u>652,022</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	22,133	20,020	20,020	0
Debt Service:				
Principal Retirement	271,469	271,469	271,469	0
Interest and Fiscal Charges	386,675	371,691	371,691	0
Total Debt Service	<u>658,144</u>	<u>643,160</u>	<u>643,160</u>	<u>0</u>
<i>Total Expenditures</i>	<u>680,277</u>	<u>663,180</u>	<u>663,180</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	71,179	(11,158)	(11,158)	0
<u>Other Financing Sources:</u>				
Transfers In	0	92,368	92,368	0
<i>Net Change in Fund Balance</i>	71,179	81,210	81,210	0
Fund Balance at Beginning of Year	<u>267,550</u>	<u>267,550</u>	<u>267,550</u>	<u>0</u>
Fund Balance at End of Year	<u>\$338,729</u>	<u>\$348,760</u>	<u>\$348,760</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$841,723	\$1,183,775	\$1,183,775	\$0
Interest	12,500	17,580	20,227	2,647
Miscellaneous	284	400	400	0
<i>Total Revenues</i>	<u>854,507</u>	<u>1,201,755</u>	<u>1,204,402</u>	<u>2,647</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Purchased Services	1,002	1,002	1,002	0
Site Improvement Services:				
Purchased Services	769,150	689,551	689,551	0
Capital Outlay - New	1,190,165	1,608,840	1,608,840	0
Total Site Improvement Services	<u>1,959,315</u>	<u>2,298,391</u>	<u>2,298,391</u>	<u>0</u>
Architecture and Engineering Services:				
Purchased Services	768,910	683,326	683,326	0
Building Acquisition and Construction Services:				
Purchased Services	20,430	527	527	0
Capital Outlay - New	1,742,000	1,583,588	1,583,588	0
Total Building Acquisition and Construction Services	<u>1,762,430</u>	<u>1,584,115</u>	<u>1,584,115</u>	<u>0</u>
Building Improvement Services:				
Capital Outlay - New	1,937,884	1,989,684	1,989,684	0
<i>Total Expenditures</i>	<u>6,429,541</u>	<u>6,556,518</u>	<u>6,556,518</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(5,575,034)</u>	<u>(5,354,763)</u>	<u>(5,352,116)</u>	<u>2,647</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	166,264	166,264	0
Transfers Out	(296)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(296)</u>	<u>166,264</u>	<u>166,264</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(5,575,330)</u>	<u>(5,188,499)</u>	<u>(5,185,852)</u>	<u>2,647</u>
Fund Balance at Beginning of Year	1,348,914	1,348,914	1,348,914	0
Prior Year Encumbrances Appropriated	4,338,403	4,338,403	4,338,403	0
Fund Balance at End of Year	<u>\$111,987</u>	<u>\$498,818</u>	<u>\$501,465</u>	<u>\$2,647</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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$419,908	\$368,533	\$368,533	\$0
Customer Services	\$281,483	247,044	247,044	0
<i>Total Revenues</i>	<u>701,391</u>	<u>615,577</u>	<u>615,577</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Food Service:				
Salaries	244,537	240,234	240,234	0
Fringe Benefits	119,710	126,536	126,536	0
Purchased Services	14,537	14,395	14,395	0
Materials and Supplies	319,520	341,247	341,247	0
Capital Outlay - New	150	123	123	0
Other	1,316	414	414	0
<i>Total Expenditures</i>	<u>699,770</u>	<u>722,949</u>	<u>722,949</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	1,621	(107,372)	(107,372)	0
<u>Other Financing Sources:</u>				
Transfers In	<u>0</u>	<u>99,490</u>	<u>99,490</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,621	(7,882)	(7,882)	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>7,882</u>	<u>7,882</u>	<u>7,882</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$9,503</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
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<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	\$21,312	\$5,200	\$5,200	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>21,762</u>	<u>17,373</u>	<u>17,373</u>	<u>0</u>
Excess of Revenues Under Expenditures	(450)	(12,173)	(12,173)	0
<u>Other Financing Sources:</u>				
Transfers In	<u>0</u>	<u>11,522</u>	<u>11,522</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(450)	(651)	(651)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>651</u>	<u>651</u>	<u>651</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$201</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Extracurricular Activities	\$25,386	\$26,865	\$26,865	\$0
Gifts and Donations	1,578	1,670	1,670	0
Miscellaneous	22,727	24,051	24,051	0
<i>Total Revenues</i>	<u>49,691</u>	<u>52,586</u>	<u>52,586</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	571	150	150	0
Materials and Supplies	12,628	14,570	14,555	15
Total Regular	13,199	14,720	14,705	15
Special:				
Purchased Services	1,750	1,456	1,456	0
Total Instruction	<u>14,949</u>	<u>16,176</u>	<u>16,161</u>	<u>15</u>
Support Services:				
Pupils:				
Purchased Services	4,749	3,342	3,342	0
Materials and Supplies	7,267	6,181	6,071	110
Capital Outlay - New	5,341	4,952	4,952	0
Total Pupils	<u>17,357</u>	<u>14,475</u>	<u>14,365</u>	<u>110</u>
Instructional Staff:				
Purchased Services	<u>\$1,811</u>	<u>\$4,855</u>	<u>\$4,855</u>	<u>\$0</u>

(continued)

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2005
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Administration:				
Purchased Services	\$528	\$58	\$58	\$0
Materials and Supplies	8,441	17,152	17,117	35
Capital Outlay - New	2,500	2,243	2,243	0
Other	3,020	1,894	1,894	0
Total Administration	14,489	21,347	21,312	35
Pupil Transportation:				
Purchased Services	864	58	58	0
Total Support Services	34,521	40,735	40,590	145
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	2,000	4,477	4,440	37
Total Expenditures	51,470	61,388	61,191	197
Net Change in Fund Balance	(1,779)	(8,802)	(8,605)	197
Fund Balance at Beginning of Year	49,030	49,030	49,030	0
Prior Year Encumbrances Appropriated	1,273	1,273	1,273	0
Fund Balance at End of Year	\$48,524	\$41,501	\$41,698	\$197

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, 2005

	<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	\$20,996	\$20,090	\$20,090	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	6,500	4,340	4,340	0
Fringe Benefits	1,001	672	672	0
Materials and Supplies	2,323	2,396	2,396	0
Total Pupils	9,824	7,408	7,408	0
Instructional Staff:				
Salaries and Wages	9,500	12,046	12,046	0
Fringe Benefits	1,647	1,866	1,866	0
Total Instructional Staff	11,147	13,912	13,912	0
<i>Total Expenditures</i>	20,971	21,320	21,320	0
Excess of Revenues Over (Under) Expenditures	25	(1,230)	(1,230)	0
<u>Other Financing Sources:</u>				
Advances In	0	1,230	1,230	0
<i>Net Change in Fund Balance</i>	25	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$25	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Underground Storage Tank Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

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

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				(Negative)
<u>Revenues:</u>				
Property Taxes	\$75,118	\$66,276	\$66,276	\$0
Intergovernmental	0	7,979	7,979	0
<i>Total Revenues</i>	<u>75,118</u>	<u>74,255</u>	<u>74,255</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	2,523	2,276	2,276	0
Operation and Maintenance of Plant:				
Purchased Services	0	29,206	29,206	0
Total Support Services:	<u>2,523</u>	<u>31,482</u>	<u>31,482</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,523</u>	<u>31,482</u>	<u>31,482</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	72,595	42,773	42,773	0
Fund Balance at Beginning of Year	<u>227,684</u>	<u>227,684</u>	<u>227,684</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$300,279</u></u>	<u><u>\$270,457</u></u>	<u><u>\$270,457</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Extracurricular Activities	\$176,382	\$134,744	\$134,744	\$0
Gifts and Donations	\$14,784	11,294	11,294	0
Miscellaneous	\$36,622	27,977	27,977	0
<i>Total Revenues</i>	<u>227,788</u>	<u>174,015</u>	<u>174,015</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	10,838	2,512	2,512	0
Materials and Supplies	15,678	15,126	15,126	0
Other	76,919	42,521	42,521	0
Total Academic and Subject Oriented Activities	<u>103,435</u>	<u>60,159</u>	<u>60,159</u>	<u>0</u>
Sports Oriented Activities:				
Purchased Services	50,018	49,167	49,167	0
Materials and Supplies	67,026	68,723	68,723	0
Capital Outlay - New	9,819	3,852	3,852	0
Capital Outlay - Replacement	3,268	669	669	0
Other	16,492	22,763	22,763	0
Total Sports Oriented Activities	<u>146,623</u>	<u>145,174</u>	<u>145,174</u>	<u>0</u>
<i>Total Expenditures</i>	<u>250,058</u>	<u>205,333</u>	<u>205,333</u>	<u>0</u>
Excess of Revenues Under Expenditures	(22,270)	(31,318)	(31,318)	0
<u>Other Financing Sources:</u>				
Transfers In	0	2,950	2,950	0
<i>Net Change in Fund Balance</i>	(22,270)	(28,368)	(28,368)	0
Fund Balance at Beginning of Year	44,905	44,905	44,905	0
Prior Year Encumbrances Appropriated	3,583	3,583	3,583	0
Fund Balance at End of Year	<u>\$26,218</u>	<u>\$20,120</u>	<u>\$20,120</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$47,197	\$41,232	\$41,232	\$0
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	25,374	24,446	24,446	0
Fringe Benefits	4,088	3,823	3,823	0
Purchased Services	1,353	1,211	1,211	0
Materials and Supplies	12,094	10,449	10,449	0
Capital Outlay - New	10,777	7,791	7,791	0
<i>Total Expenditures</i>	<u>53,686</u>	<u>47,720</u>	<u>47,720</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,489)	(6,488)	(6,488)	0
Fund Balance at Beginning of Year	203	203	203	0
Prior Year Encumbrances Appropriated	<u>6,488</u>	<u>6,488</u>	<u>6,488</u>	<u>0</u>
Fund Balance at End of Year	<u>\$202</u>	<u>\$203</u>	<u>\$203</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
Fund Balance at Beginning of Year	<u>666</u>	<u>666</u>	<u>666</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$666</u></u>	<u><u>\$666</u></u>	<u><u>\$666</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Management Information Systems Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$6,240	\$6,615	\$6,615	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	6,040	6,415	6,415	0
Support Services:				
Pupils:				
Salaries and Wages	8,000	8,000	8,000	0
<i>Total Expenditures</i>	14,040	14,415	14,415	0
<i>Net Change in Fund Balance</i>	(7,800)	(7,800)	(7,800)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	7,800	7,800	7,800	0
Fund Balance at End of Year	\$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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$124,450	\$110,705	\$110,705	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	89,016	90,670	90,670	0
Fringe Benefits	21,651	19,849	19,849	0
Total Instruction	110,667	110,519	110,519	0
Support Services:				
Instructional Staff:				
Salaries and Wages	10,836	10,984	10,984	0
Fringe Benefits	2,964	2,964	2,964	0
Total Support Services	13,800	13,948	13,948	0
<i>Total Expenditures</i>	124,467	124,467	124,467	0
Excess of Revenues Under Expenditures	(17)	(13,762)	(13,762)	0
<u>Other Financing Sources:</u>				
Advances In	0	13,745	13,745	0
<i>Net Change in Fund Balance</i>	(17)	(17)	(17)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	17	17	17	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$516,323	\$516,323	\$516,323	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	320,704	344,678	344,678	0
Fringe Benefits	91,779	49,922	49,922	0
Total Instruction	412,483	394,600	394,600	0
Support Services:				
Instructional Staff:				
Salaries and Wages	91,947	83,671	83,671	0
Fringe Benefits	50,801	46,923	46,923	0
Total Support Services	142,748	130,594	130,594	0
<i>Total Expenditures</i>	555,231	525,194	525,194	0
<i>Net Change in Fund Balance</i>	(38,908)	(8,871)	(8,871)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	38,908	38,908	38,908	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$30,037</u>	<u>\$30,037</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<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>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$4,140	\$4,140	\$4,140	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>5,745</u>	<u>5,745</u>	<u>5,745</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,605)	(1,605)	(1,605)	0
Fund Balance at Beginning of Year	1,000	1,000	1,000	0
Prior Year Encumbrances Appropriated	<u>1,605</u>	<u>1,605</u>	<u>1,605</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$21,000	\$17,369	\$17,369	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	13,200	13,200	13,200	0
Materials and Supplies	6,255	6,254	6,254	0
Total Instruction	19,455	19,454	19,454	0
Support Services:				
Instructional Staff:				
Purchased Services	2,020	2,021	2,021	0
<i>Total Expenditures</i>	21,475	21,475	21,475	0
Excess of Revenues Under Expenditures	(475)	(4,106)	(4,106)	0
<u>Other Financing Sources:</u>				
Advances In	0	3,631	3,631	0
<i>Net Change in Fund Balance</i>	(475)	(475)	(475)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	475	475	475	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Reading Intervention Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$56,899	\$35,668	\$35,668	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	41,154	39,617	39,617	0
Special:				
Salaries and Wages	17,000	18,700	18,700	0
Fringe Benefits	2,650	2,487	2,487	0
Total Special	19,650	21,187	21,187	0
<i>Total Expenditures</i>	60,804	60,804	60,804	0
Excess of Revenues Under Expenditures	(3,905)	(25,136)	(25,136)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	21,231	21,231	0
Advances Out	(15,449)	(15,449)	(15,449)	0
<i>Total Other Financing Sources (Uses)</i>	(15,449)	5,782	5,782	0
<i>Net Change in Fund Balance</i>	(19,354)	(19,354)	(19,354)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	19,354	19,354	19,354	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$44,770	\$41,399	\$41,399	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	32,873	32,873	32,873	0
Fringe Benefits	9,335	9,658	9,658	0
Purchased Services	0	2,239	2,239	0
Total Instruction	42,208	44,770	44,770	0
Support Services:				
Administration:				
Salaries and Wages	809	809	809	0
<i>Total Expenditures</i>	43,017	45,579	45,579	0
Excess of Revenues Over (Under) Expenditures	1,753	(4,180)	(4,180)	0
<u>Other Financing Sources:</u>				
Advances In	0	3,371	3,371	0
<i>Net Change in Fund Balance</i>	1,753	(809)	(809)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	809	809	809	0
Fund Balance at End of Year	<u>\$2,562</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
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

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

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$445,528	\$261,147	\$261,147	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	183,210	104,894	104,894	0
Fringe Benefits	53,158	16,125	16,125	0
Total Instruction	236,368	121,019	121,019	0
Support Services:				
Instructional Staff:				
Salaries and Wages	59,756	38,657	38,657	0
Fringe Benefits	16,201	17,039	17,039	0
Total Instructional Staff	75,957	55,696	55,696	0
Administration:				
Salaries and Wages	84,353	85,476	85,476	0
Fringe Benefits	34,062	28,684	28,684	0
Total Administration	118,415	114,160	114,160	0
Total Support Services	194,372	169,856	169,856	0
<i>Total Expenditures</i>	430,740	290,875	290,875	0
Excess of Revenues Over (Under) Expenditures	14,788	(29,728)	(29,728)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	44,516	44,516	0
Advances Out	(19,124)	(19,124)	(19,124)	0
<i>Total Other Financing Sources (Uses)</i>	(19,124)	25,392	25,392	0
<i>Net Change in Fund Balance</i>	(4,336)	(4,336)	(4,336)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	4,336	4,336	4,336	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$477,665	\$483,520	\$483,520	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	152,147	128,845	128,845	0
Fringe Benefits	50,956	40,844	40,844	0
Total Instruction	203,103	169,689	169,689	0
Support Services:				
Pupils:				
Salaries and Wages	15,502	13,185	13,185	0
Fringe Benefits	6,519	5,438	5,438	0
Total Pupils	22,021	18,623	18,623	0
Instructional Staff:				
Salaries and Wages	161,818	137,204	137,204	0
Fringe Benefits	59,438	59,131	59,131	0
Purchased Services	10,000	9,845	9,845	0
Total Instructional Staff	231,256	206,180	206,180	0
Administration:				
Salaries and Wages	15,734	0	0	0
Fringe Benefits	5,551	4,278	4,278	0
Total Administration	21,285	4,278	4,278	0
Total Support Services	274,562	229,081	229,081	0
Total Expenditures	477,665	398,770	398,770	0
Net Change in Fund Balance	0	84,750	84,750	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$84,750</u>	<u>\$84,750</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$33,063	\$22,531	\$22,531	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,574	11,574	11,574	0
Support Services:				
Pupils:				
Purchased Services	23,779	23,779	23,779	0
Instructional Staff:				
Purchased Services	795	492	492	0
Total Support Services	24,574	24,271	24,271	0
<i>Total Expenditures</i>	36,148	35,845	35,845	0
Excess of Revenues Under Expenditures	(3,085)	(13,314)	(13,314)	0
<u>Other Financing Sources (Uses):</u>				
Advances In	0	10,229	10,229	0
Advances Out	(21,489)	(21,489)	(21,489)	0
<i>Total Other Financing Sources (Uses)</i>	(21,489)	(11,260)	(11,260)	0
<i>Net Change in Fund Balance</i>	(24,574)	(24,574)	(24,574)	0
Fund Balance at Beginning of Year	259	259	259	0
Prior Year Encumbrances Appropriated	24,574	24,574	24,574	0
Fund Balance at End of Year	<u>\$259</u>	<u>\$259</u>	<u>\$259</u>	<u>\$0</u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$21,722	\$11,202	\$11,202	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,463	9,090	9,090	0
Fringe Benefits	357	437	437	0
Purchased Services	2,000	300	300	0
Materials and Supplies	5,000	5,500	5,500	0
<i>Total Expenditures</i>	<u>15,820</u>	<u>15,327</u>	<u>15,327</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>5,902</u>	<u>(4,125)</u>	<u>(4,125)</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	0	10,027	10,027	0
Advances Out	(7,659)	(7,659)	(7,659)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(7,659)</u>	<u>2,368</u>	<u>2,368</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,757)</u>	<u>(1,757)</u>	<u>(1,757)</u>	<u>0</u>
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>1,757</u>	<u>1,757</u>	<u>1,757</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$143,615	\$128,664	\$128,664	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	114,161	88,830	88,830	0
Fringe Benefits	31,756	32,435	32,435	0
Total Instruction	145,917	121,265	121,265	0
Support Services:				
Instructional Staff:				
Purchased Services	7,481	5,731	5,731	0
<i>Total Expenditures</i>	153,398	126,996	126,996	0
Excess of Revenues Over (Under) Expenditures	(9,783)	1,668	1,668	0
<u>Other Financing Uses:</u>				
Transfers Out	(1,345)	0	0	0
<i>Net Change in Fund Balance</i>	(11,128)	1,668	1,668	0
Fund Balance at Beginning of Year	1,345	1,345	1,345	0
Fund Balance (Deficit) at End of Year	<u>(\$9,783)</u>	<u>\$3,013</u>	<u>\$3,013</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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$19,259	\$10,149	\$10,149	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	18,658	19,373	19,373	0
Support Services:				
Instructional Staff:				
Purchased Services	4,081	3,576	3,576	0
<i>Total Expenditures</i>	<u>22,739</u>	<u>22,949</u>	<u>22,949</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(3,480)</u>	<u>(12,800)</u>	<u>(12,800)</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	0	9,320	9,320	0
Advances Out	<u>(6,303)</u>	<u>(6,303)</u>	<u>(6,303)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(6,303)</u>	<u>3,017</u>	<u>3,017</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(9,783)</u>	<u>(9,783)</u>	<u>(9,783)</u>	<u>0</u>
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>9,783</u>	<u>9,783</u>	<u>9,783</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

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

WAVERLY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

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

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WAVERLY CITY SCHOOL DISTRICT

STATISTICAL SECTION



Waverly City School District

Statistical Section

The following statistical tables reflect economic data, financial trends and fiscal capacity of the School District.

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

Fiscal Year (1)	2001	2002	2003	2004	2005
Instruction:					
Regular	\$5,924,366	\$7,209,505	\$6,708,113	\$7,621,366	\$7,565,359
Special	1,109,969	1,248,682	1,069,035	1,190,478	1,157,809
Vocational	149,069	123,634	171,496	147,756	81,722
Other	45,511	67,823	0	0	0
Support Services:					
Pupils	607,246	827,551	781,774	827,706	995,277
Instructional Staff	947,256	816,270	1,095,531	1,158,050	1,187,689
Board of Education	38,851	46,775	63,940	45,493	39,830
Administration	973,537	1,017,178	1,018,692	1,158,011	1,321,229
Fiscal	360,285	445,742	376,787	425,265	404,189
Business	44,894	0	0	0	0
Operation and Maintenance of Plant	1,068,241	1,054,328	1,156,317	1,249,016	1,266,638
Pupil Transportation	797,019	788,353	886,792	988,140	960,198
Central	16,224	19,844	12,339	16,945	10,684
Operation of Non-Instructional Services - Food Services	645,419	699,050	655,797	693,429	685,502
Operation of Non-Instructional Services - Other	605	864	33,801	1,257	10,958
Extracurricular Activities	414,154	412,523	449,068	504,173	486,903
Intergovernmental	42,109	297,617	425,391	534,151	36,425
Interest and Fiscal Charges	256,783	461,276	591,291	422,081	419,334
Total	<u>\$13,441,538</u>	<u>\$15,537,015</u>	<u>\$15,496,164</u>	<u>\$16,983,317</u>	<u>\$16,629,746</u>

Source: Waverly City School District records.

- (1) Fiscal year 2001 was the first year the School District prepared full accrual statements.

TABLE 2**WAVERLY CITY SCHOOL DISTRICT**Government-wide Revenues by Source
Last Five Fiscal Years

Fiscal Year (1)	2001	2002	2003	2004	2005
Program Revenues:					
Charges for Sales and Services	\$459,581	\$621,763	\$698,083	\$908,589	\$939,417
Operating Grants and Contributions	2,152,351	2,632,270	2,904,380	3,210,572	2,798,447
Capital Grants and Contributions	145,870	62,320	0	46,200	7,900
General Revenues:					
Property Taxes	3,372,688	3,700,687	3,741,367	4,162,373	3,881,110
Intergovernmental	43,146,697	7,686,735	8,090,100	8,449,946	9,435,707
Revenue in Lieu of Taxes	0	0	382,809	0	0
Investment Earnings	666,613	522,908	348,772	161,814	102,029
Gifts and Donations	202,680	151,493	2,000	2,900	4,475
Miscellaneous	202,680	151,493	33,280	211,683	241,741
Total	\$50,349,160	\$15,529,669	\$16,200,791	\$17,154,077	\$17,410,826

Source: Waverly City School District records.

- (1) Fiscal year 2001 was the first year the School District prepared full accrual statements.

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

Fiscal Year	1996	1997	1998	1999	2000
Current:					
Instruction:					
Regular	\$3,938,313	\$4,007,877	\$4,389,495	\$4,866,826	\$5,507,128
Special	1,106,999	1,205,487	1,089,027	902,764	1,043,354
Vocational	110,030	112,470	121,060	123,038	127,188
Other	22,640	3,927	12,926	119,062	128,174
Support Services:					
Pupils	389,383	432,439	407,533	539,019	741,203
Instructional Staff	393,643	451,168	520,007	726,336	779,537
Board of Education	26,124	32,973	35,177	28,111	26,911
Administration	914,295	913,406	950,130	835,648	795,523
Fiscal	230,623	231,869	267,207	283,291	329,174
Operation and Maintenance of Plant	740,055	860,555	1,023,360	996,183	1,178,454
Pupil Transportation	559,768	684,222	662,391	640,420	729,455
Central	14,998	7,052	9,231	19,900	17,542
Operation of Non-Instructional Services - Food Services	504,274	559,245	576,291	587,371	592,688
Operation of Non-Instructional Services - Other	2,106	13,281	35,669	15,071	54,997
Extracurricular Activities	246,506	242,755	254,895	276,137	371,834
Capital Outlay	86,288	804,560	15,896	838,693	1,226,795
Intergovernmental	0	0	0	0	0
Debt Service	43,150	41,050	0	0	92,353
Totals	<u>\$9,329,195</u>	<u>\$10,604,336</u>	<u>\$10,370,295</u>	<u>\$11,797,870</u>	<u>\$13,742,310</u>

Source: Waverly City School District records.

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

TABLE 3

2001	2002	2003	2004	2005
\$5,723,795	\$6,158,416	\$6,521,806	\$7,294,024	\$8,264,749
1,093,346	1,151,152	1,104,049	1,210,603	1,173,884
138,735	122,075	167,640	165,901	80,984
45,511	67,823	0	0	0
634,446	775,912	801,604	844,641	1,007,815
873,238	883,151	1,083,854	1,134,698	1,168,272
38,851	46,775	63,940	45,493	39,830
940,271	988,641	1,038,788	1,161,288	1,287,168
357,037	442,136	378,073	422,062	412,868
1,084,478	1,023,502	1,111,581	1,207,345	1,848,972
890,040	891,906	927,128	1,028,563	1,457,283
20,877	15,902	8,524	13,807	10,684
550,677	646,606	647,394	693,369	731,046
4,312	4,770	6,412	155	10,958
377,709	399,507	449,744	537,134	504,597
830,277	3,912,379	18,665,024	19,064,649	5,552,475
42,109	297,617	425,391	534,209	36,425
451,267	497,829	664,408	659,649	655,790
<u>\$14,096,976</u>	<u>\$18,326,099</u>	<u>\$34,065,360</u>	<u>\$36,017,590</u>	<u>\$24,243,800</u>

WAVERLY CITY SCHOOL DISTRICT
 General Government Revenues by Source (1)
 Last Ten Fiscal Years

Fiscal Year	1996	1997	1998	1999	2000
Property Taxes	\$2,876,153	\$2,350,285	\$2,177,489	\$2,635,177	\$3,185,571
Intergovernmental	6,770,612	7,484,162	7,179,533	7,950,445	8,014,263
Interest	214,944	227,483	319,303	322,757	299,330
Tuition and Fees	28,736	38,670	49,547	47,296	55,484
Extracurricular Activities	201,034	149,750	135,651	132,451	152,569
Customer Services	275,285	300,828	304,411	208,742	236,999
Rent	2,400	3,177	6,888	6,548	7,005
Gifts and Donations	6,183	4,828	63,318	55,140	60,759
Payment in Lieu of Taxes	0	0	0	0	0
Miscellaneous	33,653	42,535	115,224	123,665	141,479
Totals	<u>\$10,409,000</u>	<u>\$10,601,718</u>	<u>\$10,351,364</u>	<u>\$11,482,221</u>	<u>\$12,153,459</u>

Source: Waverly City School District records.

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

TABLE 4

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$3,343,746	\$3,669,150	\$3,687,133	\$4,150,302	\$3,896,834
9,792,308	19,212,770	27,154,546	21,984,852	12,575,824
648,335	531,497	368,844	168,619	101,097
57,379	211,796	266,892	528,395	555,229
168,150	163,593	220,974	159,017	134,744
231,812	242,024	208,122	218,782	247,044
2,240	4,350	2,095	2,395	2,400
54,681	55,296	14,382	13,275	23,669
0	0	0	40,000	0
<u>202,680</u>	<u>151,493</u>	<u>33,280</u>	<u>211,683</u>	<u>241,741</u>
<u><u>\$14,501,331</u></u>	<u><u>\$24,241,969</u></u>	<u><u>\$31,956,268</u></u>	<u><u>\$27,477,320</u></u>	<u><u>\$17,778,582</u></u>

WAVERLY CITY SCHOOL DISTRICT

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

<u>Collection Year</u>	<u>Tax Levied (1)</u>	<u>Current Tax Collection (2)</u>	<u>Percent Collected</u>	<u>Delinquent Collection</u>
1996	\$3,128,083	\$2,308,787	73.81%	\$200,764
1997	3,256,946	2,333,614	71.65	202,923
1998	3,380,729	2,405,642	71.16	209,186
1999	3,495,612	2,441,723	69.85	127,677
2000	3,873,633	2,788,433	71.98	208,909
2001	3,874,436	3,051,964	78.77	142,151
2002	2,948,066	2,695,731	91.44	259,864
2003	3,924,294	2,351,992	59.93	147,150
2004	4,193,107	4,142,408	98.79	95,804
2005	N/A	N/A	N/A	N/A

Source: Pike County Auditor.
Information for 2005 is not yet available.

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

TABLE 5

<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes To Tax Levied</u>
\$2,509,551	80.23%	\$105,293	3.37%
2,536,537	77.88	104,694	3.21
2,614,828	77.35	131,283	3.88
2,569,400	73.50	149,704	4.28
2,997,342	77.38	116,663	3.01
3,194,115	82.44	145,605	3.76
2,955,595	100.25	171,842	5.83
2,499,142	63.68	231,375	5.90
4,238,212	101.08	211,268	5.04
N/A	N/A	N/A	N/A

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

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	\$71,845,890	\$205,273,971	\$17,708,846	\$70,835,384
1997	78,964,110	225,611,743	19,869,133	79,476,532
1998	78,017,170	222,906,200	22,389,505	89,558,020
1999	80,312,350	229,463,857	23,447,763	93,791,052
2000	104,556,410	298,732,600	26,168,773	104,675,092
2001	104,310,020	298,028,629	25,656,945	102,627,780
2002	103,127,340	294,649,543	24,956,078	99,824,312
2003	113,872,000	325,348,571	23,441,485	93,765,940
2004	114,607,680	327,450,514	25,005,172	108,718,139
2005	121,368,550	346,767,286	23,209,234	100,909,713

Source: Pike County Auditor.

- (1) Pike County Auditor property tax records are maintained on a calendar year basis.
- (2) Ratio represents assessed value/total estimated actual value.

TABLE 6

Public Utilities		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Actual Value	Ratio (2)
\$8,270,640	\$9,398,455	\$97,825,376	\$285,507,810	34.26%
12,652,470	14,377,807	111,485,713	319,466,082	34.90
12,286,090	13,961,466	112,692,765	326,425,686	34.52
13,173,640	14,970,045	116,933,753	338,224,955	34.57
12,444,000	14,140,909	143,169,183	417,548,601	34.29
11,948,020	13,577,295	141,914,985	414,233,704	34.26
9,982,750	11,344,034	138,066,168	405,817,889	34.02
10,924,400	12,414,091	148,237,885	431,528,602	34.35
11,421,250	12,978,693	151,034,102	449,147,347	33.63
11,414,760	12,971,318	155,992,544	460,648,317	33.86

WAVERLY CITY SCHOOL DISTRICT

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

Collection Year	1998	1999	2000	2001
Waverly City School District	\$32.50	\$32.50	\$39.00	\$37.12
Pike County	9.20	9.20	9.20	9.20
City of Waverly	16.30	16.30	16.30	16.30
Pike County Joint Vocational School	6.50	6.50	6.50	6.50

Source: Pike County Auditor.

TABLE 7

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$37.12	\$37.12	\$37.12	\$37.12
9.20	9.20	9.20	10.20
15.30	15.30	16.30	16.30
6.50	6.50	6.50	6.50

TABLE 8

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

Year	Population (1)	Total Assessed Value (2)	Net Bonded Debt (3)	Ratio of Net Bonded Debt To Assessed Value (%)	Net Bonded Debt Per Capita
1996	5,084	\$97,825,376	\$40,000	4.09%	\$8
1997	5,084	111,485,713	0	0.00	0
1998	5,084	112,692,765	0	0.00	0
1999	5,084	116,933,753	0	0.00	0
2000	4,433	143,169,183	0	0.00	0
2001	4,433	141,914,985	7,779,076	5.48	1,755
2002	4,433	138,066,168	7,911,530	5.73	1,785
2003	4,433	148,237,885	7,617,714	5.14	1,718
2004	4,462	151,034,102	7,385,622	4.89	1,655
2005	4,462	155,992,544	7,526,512	4.82	1,687

Sources:

- (1) 1991 through 1999 population data from 1990 U.S. census.
 2000 through 2003 data is from 2000 U.S. census.
 After 2003, data is from 2004 U.S. census estimated population.
- (2) Pike County Auditor, calendar year basis.
- (3) Net bonded debt does not include Energy Conservation Loan.

TABLE 9**WAVERLY CITY SCHOOL DISTRICT**

Computation of Legal Debt Margin

June 30, 2005

(1) Assessed Valuation of District		<u><u>\$155,992,544</u></u>
Overall Direct Debt Limitation		
<hr/>		
Direct debt limitation		
9% of assessed valuation (1)		\$14,039,329
Gross indebtedness	\$7,933,545	
Less Exempt Debt:		
Energy Conservation Loan	<u>407,639</u>	
Debt within 9.0% limitation	7,525,906	
Less amount available for debt service	<u>366,264</u>	
Net indebtedness		<u>7,159,642</u>
Legal debt margin within 9% limitation		<u><u>\$6,879,687</u></u>
Unvoted Direct Debt Limitation		
<hr/>		
Unvoted debt limitation		
0.1% of assessed valuation (1)		\$155,993
Gross indebtedness	\$407,639	
Less Exempt Debt:		
Energy Conservation Loan	<u>(407,639)</u>	
Net indebtedness		<u>0</u>
Legal debt margin within 0.1% limitation		<u><u>\$155,993</u></u>
Energy Conservation Debt Limitation		
<hr/>		
Debt limitation		
0.9% of assessed valuation (1)		\$1,403,933
Net debt within 0.9% limitation		<u>(407,639)</u>
Energy Conservation Debt Margin		<u><u>\$996,294</u></u>

Source: Waverly City School District records.

TABLE 10

WAVERLY CITY SCHOOL DISTRICT
 Computation of Direct and Overlapping Debt
 June 30, 2005

<u>Governmental Unit</u>	<u>General Obligation Debt (1)</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct:			
Waverly City School District	\$7,159,642	100.00%	\$7,159,642
Overlapping:			
Pike County Joint Vocational School	<u>0</u>	<u>N/A</u>	<u>N/A</u>
Total direct and overlapping debt:	<u><u>\$7,159,642</u></u>		<u><u>\$7,159,642</u></u>

Source: Pike County Auditor.

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

TABLE 11

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to General Expenditures
1996	\$40,000	\$3,150	\$43,150	\$9,329,195	0.46%
1997	40,000	1,050	41,050	10,604,336	0.39
1998	0	0	0	10,370,295	0.00
1999	0	0	0	11,797,870	0.00
2000	0	0	0	13,742,310	0.00
2001	0	0	0	14,096,976	0.00
2002	0	355,870	355,870	18,326,099	1.94
2003	170,000	365,803	535,803	34,065,360	1.57
2004	190,000	358,603	548,603	36,017,590	1.52
2005	200,000	350,803	550,803	24,243,800	2.27

Source: Waverly City School District records.

WAVERLY CITY SCHOOL DISTRICT

Demographic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Pike County Population (1)</u>	<u>Population of District (1)</u>	<u>School Enrollment (2)</u>
1996	24,249	5,084	2,064
1997	24,249	5,084	2,130
1998	24,249	5,084	2,107
1999	24,249	5,084	2,093
2000	27,695	4,433	2,112
2001	27,695	4,433	2,082
2002	27,695	4,433	2,050
2003	27,695	4,433	2,066
2004	28,294	4,462	2,098
2005	28,294	4,462	2,120

Sources: (1) 1991 through 1999 population data from 1990 U.S. census. 2000 through 2003 data is from 2000 U.S. census. After 2003, data is from 2004 U.S. census estimated population.

(2) Waverly City School District records.

(3) Ohio Department of Jobs and Family Services.

TABLE 12

<u>Unemployment Rate Pike County (3)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Unemployment Rate U.S.A (3)</u>
9.10%	4.90%	5.40%
9.10	4.60	4.90
8.80	4.40	4.70
11.70	4.36	4.42
7.10	3.90	4.10
7.70	5.70	6.30
6.40	5.70	5.40
10.70	6.30	6.40
9.10	5.80	5.60
9.60	6.10	5.00

TABLE 13

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

<u>Year</u>	<u>Value of Permits Issued (1)</u>	<u>County Bank Deposits (2) (in thousands)</u>	<u>Property Values (3)</u>
1996	\$2,015,770	\$100,565	\$71,845,890
1997	1,535,060	107,546	78,964,110
1998	1,150,440	127,298	78,017,170
1999	1,325,080	127,973	80,312,350
2000	1,438,590	135,918	104,556,410
2001	1,451,350	146,843	104,309,730
2002	1,951,635	136,756	103,127,340
2003	1,140,000	137,148	113,872,000
2004	N/A	144,397	151,034,102
2005	N/A	124,825	155,992,544

Sources: (1) Pike County Auditor.
 The Pike County Auditor was unable to provide the value for calendar years 2004 and 2005.

(2) Federal Reserve Bank of Cleveland.

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

TABLE 14**WAVERLY CITY SCHOOL DISTRICT**

Top Ten Principal Taxpayers
Real Property (1)

Name of Taxpayer	Total Assessed Valuation	% of Total School District Assessed Valuation
National Church Residences	\$10,803,380	6.93%
Mills Pride Limited	2,576,730	1.65%
Wal-Mart Stores, Inc.	1,252,040	0.80%
HTW Associates, Ltd.	754,070	0.48%
Pinehurst, Ltd.	550,250	0.35%
Wausau Homes, Inc.	475,110	0.30%
Clough Commons, Ltd.	471,370	2.62%
Parker Hannifin Corporation	470,730	2.62%
Emmett Station, Ltd.	338,150	0.22%
Waverly Manor Association	294,710	0.19%
Total Principal Taxpayers	\$17,986,540	11.53%
Total School District	\$155,992,544	100.00%

Source: Pike County Auditor.
The Pike County Auditor was unable to provide
information for 2005.

(1) Taxpayers and amounts are for fiscal year 2004.

TABLE 15**WAVERLY CITY SCHOOL DISTRICT**

Miscellaneous Statistical Data

June 30, 2005

<u>School</u>	<u>Grade Levels</u>	<u>Enrollment</u>
East Elementary	K-2	470
West Intermediate	3-5	492
North Junior High	6-8	471
Waverly High School	9-12	687
Total		<u>2,120</u>
<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	8	6.11%
Bachelor +	34	25.95
Masters	53	40.46
Masters +15	36	27.48
Total	<u>131</u>	<u>100.00%</u>
<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	19	14.50%
6 - 10	29	22.14
11 - 15	20	15.27
16 - 20	17	12.98
21 - 25	17	12.98
26 and over	29	22.13
Total	<u>131</u>	<u>100.00%</u>

Source: Waverly City School District records.

TABLE 16

WAVERLY CITY SCHOOL DISTRICT
Per Pupil Cost
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
1996	\$7,429,591	2,064	\$3,600
1997	7,973,294	2,130	3,743
1998	8,499,571	2,107	4,034
1999	9,107,326	2,093	4,351
2000	10,628,632	2,112	5,032
2001	10,642,906	2,082	5,112
2002	11,083,809	2,050	5,407
2003	11,555,152	2,066	5,593
2004	13,693,368	2,098	6,527
2005	16,459,299	2,120	7,764

Source: Waverly City School District records.

WAVERLY CITY SCHOOL DISTRICT

Enrollment
Last Ten Fiscal Years

<u>Year</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
1996	150	178	148	149	136	148	147
1997	143	178	168	147	158	140	157
1998	148	184	157	180	144	161	153
1999	164	152	153	163	156	159	160
2000	180	161	152	159	165	165	157
2001	166	181	168	154	166	158	172
2002	159	154	181	157	152	170	161
2003	133	148	155	177	155	156	173
2004	175	145	139	153	173	154	146
2005	148	180	142	150	162	180	154

Source: Waverly City School District records.

TABLE 17

<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
162	182	200	161	140	163	2,064
145	165	209	191	159	170	2,130
147	140	189	168	169	167	2,107
154	151	161	168	158	194	2,093
161	161	156	149	166	180	2,112
161	148	165	138	149	156	2,082
161	155	169	158	146	127	2,050
168	159	173	171	160	138	2,066
167	176	182	169	164	155	2,098
151	166	186	174	165	162	2,120

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**WAVERLY CITY SCHOOL DISTRICT
PIKE COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 9, 2006**