

EASTWOOD LOCAL SCHOOL DISTRICT

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006



Mary Taylor, CPA
Auditor of State

Board of Education
Eastwood Local School District
4800 Sugar Ridge Road
Pemberville, Ohio 43450

We have reviewed the *Independent Auditor's Report* of the Eastwood Local School District, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2005 through June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 21, 2007

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**EASTWOOD LOCAL SCHOOL DISTRICT
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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

Board of Education
Eastwood Local School District
Pemberville, Ohio

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Eastwood Local School District, Wood County, Ohio, as of and for the year ended June 30, 2006, which collectively comprise the Eastwood Local School District, Ohio's basic financial statements and have issued our report thereon dated July 9, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Eastwood Local School District, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eastwood Local School District, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Eastwood Local School District, Ohio's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Eastwood Local School District, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Eastwood Local School District, Ohio's financial statements that is more than inconsequential will not be prevented or detected by Eastwood Local School District, Ohio's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Eastwood Local School District, Ohio's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eastwood Local School District, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Eastwood Local School District, Ohio, in a separate letter dated July 9, 2007.

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

James G. Zupka, CPA, Inc.
Certified Public Accountants

July 9, 2007

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

Board of Education
Eastwood Local School District
Pemberville, Ohio

Compliance

We have audited the compliance of Eastwood Local School District, Ohio, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2006. Eastwood Local School District, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Eastwood Local School District, Ohio's management. Our responsibility is to express an opinion on Eastwood Local School District, Ohio's compliance based on our audit.

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

In our opinion, Eastwood Local School District, Ohio complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Eastwood Local School District, Ohio 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 Eastwood Local School District, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the 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 detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Eastwood Local School District, Ohio, as of and for the year ended June 30, 2006, and have issued our report thereon dated July 9, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Eastwood Local School District, Ohio's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

James G. Zupka, CPA, Inc.
Certified Public Accountant

July 9, 2007

**EASTWOOD LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

Federal Grantor		Pass Through		
<i>Pass Through Grantor</i>	CFDA	Entity	Federal	Federal
Program Title	Number	Number	Receipts	Disbursements
U.S. Department of Agriculture				
<i>Passed through Ohio Department of Education</i>				
Nutrition Cluster:				
Food Distribution-Commodities (see Note 2)	10.550	N/A	\$ 70,366	\$ 70,366
National School Lunch Program	10.555	050674-LLP4-2006	<u>115,814</u>	<u>115,814</u>
Total Nutrition Cluster			<u>186,180</u>	<u>186,180</u>
Total U.S. Department of Agriculture			<u>186,180</u>	<u>186,180</u>
U.S. Department of Education				
<i>Passed through Ohio Department of Education</i>				
Title I - Financial Assistance to Meet Special Education Needs of Disadvantaged Children				
Title I - FY05	84.010	050674-C1S1-2005	35,838	36,346
Title I - FY06	84.010	050674-C1S1-2006	110,258	100,591
Title I Delinquent - FY06	84.010	050674-C1SD-2006	<u>21,705</u>	<u>21,705</u>
Total Title I			<u>167,801</u>	<u>158,642</u>
Migrant Grant - FY06	84.011	050674-MGS1-2006	<u>15,000</u>	<u>13,307</u>
Total Migrant Grant			<u>15,000</u>	<u>13,307</u>
Special Education Cluster:				
Special Education Grants to States (IDEA Part B)	84.027	050674-6BSF-2006	<u>370,771</u>	<u>370,771</u>
Total Special Education Cluster			<u>370,771</u>	<u>370,771</u>
Drug-Free School Grant - FY06	84.186	050674-DRS1-2006	<u>6,447</u>	<u>6,447</u>
Total Drug-Free School Grant			<u>6,447</u>	<u>6,447</u>
Innovative Education Program Strategies	84.298	050674-C2S1-2006	<u>5,016</u>	<u>5,016</u>
Total Innovative Education Program Strategies			<u>5,016</u>	<u>5,016</u>
Title II-D Technology 2006	84.318	050674-TJS1-2006	<u>2,043</u>	<u>2,043</u>
Total Title II-D Technology			<u>2,043</u>	<u>2,043</u>
Title II-A Technology				
Improving Teacher Quality State Grant 2005	84.367	050674-TRS1-2005	5,061	9,279
Improving Teacher Quality State Grant 2006	84.367	050674-TRS1-2006	<u>53,106</u>	<u>53,106</u>
Total Title II-A Technology			<u>58,167</u>	<u>62,385</u>
Total U.S. Department of Education			<u>625,245</u>	<u>618,611</u>
TOTAL ALL FEDERAL ASSISTANCE			<u>\$ 811,425</u>	<u>\$ 804,791</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

EASTWOOD LOCAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

NOTE 2: FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2006, the District had food commodities in inventory recorded in the Food Service Fund.

NOTE 3: MATCHING REQUIREMENTS

Certain federal programs require that the District contribute non-federal funds (matching funds) to support the federally-funded programs. The expenditure of non-federal matching funds is not included on the Schedule.

**EASTWOOD LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & §.505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

2006(i)	Type of Financial Statement Opinion	Unqualified
2006(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2006(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
2006(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2006(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2006(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2006(v)	Type of Major Programs' Compliance Opinions	Unqualified
2006(vi)	Are there any reportable findings under .510?	No
2006(vii)	Major Programs (list): Special Education Cluster: Special Education Grants to States, IDEA, Part B - CFDA #84.027	
2006(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 or more Type B: All others less than \$300,000
2006(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**EASTWOOD LOCAL SCHOOL DISTRICT
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2006**

The prior audit report, as of June 30, 2005, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



Comprehensive Annual Financial Report

For the Fiscal Year Ending June 30, 2006

Eastwood Local School District

Pemberville, Ohio

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2006

Prepared by:
David Michel and
Treasurer's Office Staff

Eastwood Local School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2006

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Eastwood Local School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2006

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Eastwood Local School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2006

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Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2006

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INTRODUCTORY SECTION



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July 9, 2007

Board of Education Members
Eastwood Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Eastwood Local School District for the fiscal year ended June 30, 2006. This CAFR includes an opinion from James G. Zupka, Inc. and conforms to generally accepted accounting principles as applicable to government entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School District. This report will provide the taxpayers of the Eastwood Local School District with comprehensive financial data in a format, which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to officials of the Villages of Luckey and Pemberville and Townships of Freedom, Troy, Center, Webster, Perrysburg, Montgomery, and Middleton the Pemberville Public Library, major taxpayers, financial rating services and other interested parties.

State law requires the School District's financial statements to be subjected to a biennial examination by the Auditor of State of Ohio (Auditor) or an independent auditor contracted by the Auditor unless an annual Single Audit is required. In addition, the law requires the School District to prepare and file, within 150 days following the close of their fiscal period, a financial statement prepared in accordance with generally accepted accounting principles (GAAP) with the Auditor. The financial statements, at a minimum, should be the basic financial statements of the School District and include the notes to those statements. Although not required by law, management of the School District has decided to prepare this CAFR. A further discussion of the audit can be found later in this letter.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which is unaudited, contains this Letter of Transmittal, the Officials Roster, the Organizational Chart of the School District and the Government Finance Officers' Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2005.
2. The Financial Section which begins with the Report of Independent Accountants and includes the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents social and economic data, financial trends and fiscal capacity of the School District.

The School District

Eastwood Local School District is located in northwestern Ohio, approximately 29 miles south of Toledo. The School District includes the Villages of Luckey and Pemberville and Townships of Freedom, Troy, Center, Webster, Perrysburg, Montgomery, and Middleton.

Eastwood is one of nine school districts located in Wood County. Approximately 9,213 people live in Eastwood School District, while over 121,000 reside in surrounding Wood County. When Eastwood was established as a rural community, the pioneers, who mainly came from Germany, modeled their new existence after their heritage. The settlers showed the importance they attached to common school education from which they had received so much benefit. They implemented voluntary associations for district schools wherever a sufficient number of youths and children could be gathered. Classes were held in homes, and schoolhouses were built before any legal organizations were affected. The townships were geographically scattered, and because travel was restrictive, the pioneers created several small primary grade schools in each township and village for the local students. In 1959, Eastwood High School was built in the center of the School District and the townships sent their children to this institution for secondary education. At the same time the townships merged their grade schools to become what is currently the Eastwood Local School District.

The four grade schools are: Webster, which was built in 1921; Luckey, which was built in 1925; Lemoyne, which was built in 1926; and Pemberville, which was built in 1939. Over ten years later in 1970, the School District opened a new middle school. The School District also owns a building named Union, built in 1955, that houses the Special Education Regional Resource Center (SERRC). The School District's newest building, built in 1994, is shared by the School District's administration and the repair and maintenance department for the School District's vehicles.

Eastwood School District is one of the 612 school districts in the State of Ohio. The School District provides education to 1,922 students in grade K-12, including special education services to 230 students.

Statutorily, the School District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services mandated by the State and Federal agencies.

The Reporting Entity and Services Provided

The Eastwood Local School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No.14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Eastwood Local School District (the primary government) and its potential component units.

Excluded from the reporting entity because they are fiscally independent of the School District are the Villages of Luckey and Pemberville and Townships of Freedom, Troy, Center, Webster, Perrysburg, Montgomery, and Middleton, the Parent Teacher Organizations and the nonpublic schools.

The School District participates in two jointly governed organizations and one insurance rating pool. These organizations are the NOECA Computer Association, the Penta County Joint Vocational School and the Sheakley (OASBO) Worker's Compensation Group Rating Program. These organizations are presented in Notes 14 and 15 to the basic financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

Economic Condition and Outlook

The School District is located near the intersections of Sugar Ridge and Luckey Road about 29 miles south of Toledo. The School District is home to many young families with incomes and housing values that are above state and county averages. Residential property is middle class, and properties are well kept. The Eastwood area also encompasses a diverse and growing mix of commercial and light industrial properties. Major employers include Troy Villa Limited, Otterbein Homes and Modine Manufacturing.

The School District is very fortunate in that the tax base continues to grow as more and more land is developed for housing and business. The School District anticipates the assessed valuations to increase every year. For calendar year 2006, the School District's assessed valuation was \$196,303,983 and for calendar year 2005 it was \$182,921,837.

Contrary to popular belief, the School District does not benefit financially in comparison to the percentage increases to assessed valuation from year to year. Rather, the School District benefits significantly less due to House Bill 920, which was passed in 1976. House Bill 920 prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of existing property values. Thus, a district must obtain approval of voters for additional revenue through tax levies. Fortunately for the Eastwood Local School District, voters approved a 4.8 emergency operating levy. This was evident in November of 2001, as voters approved a 5-year operating levy of 8.9 mills. In addition, voters in the School District have approved continuing tax levies of 14.4 mills, 6.5 mills, and 6.0 mills in 1977, 1979, and 1997, respectively.

Of the School District's general fund operations, 33.6 percent of the general fund revenue comes from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 46.3 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings are 1.1 percent and other revenues are 3.8 percent.

The School District maintains a strategic fiscal plan, which incorporates the State required five-year plan. The current long-term fiscal plan reflects a negative cash balance during the 2008 fiscal year. The School District has a long history of local support. Continued voter support, and a healthy tax base are crucial to the long-term financial health of the School District.

Major Initiatives

The Eastwood Local District is excited about the future. Voters approved a 4.8 mill emergency operating levy in August of 2005. With the success of this issue, the School District will be able to accomplish a number of initiatives in the area of curriculum development, programming, and student services. Our Strategic Planning was initiated in September 1992 and is continually being updated every few years. In recent years we have expanded to incorporate strategic planning to the building level.

During the planning stages for the Strategic Plan, major efforts were geared toward developing, improving, and refining educational services to improve students' academic success.

Specifically:

- Fiscal Responsibility
- Passing Levies
- Troy Energy Donation Allocation of Funds
- Preventive Maintenance Schedules
- Inventory Maintenance Controls
- Development of Transportation Plans
- Long Range Facilities Needs
- Marketing to Business Sector
- Improve Web Sites
- Internal and External Communications

- Result Driven Student School Performance
- Quality Monitoring Program Student Performance thru Data Analysis Staff Training
- Improve Computer Software and Hardware Skills
- Improving Gifted/Talented Programs
- State Proficiencies
- Extended School Day Intervention – Short Term Reading
- Scheduling Options for Student Achievements

Outlook for the Future

For the future, the School District’s overall focus will be to continue to improve the educational program for the benefit of students, parents and community residents. The process involves assessing current programs, identifying strengths and weaknesses, developing and implementing new courses of action, and evaluating the results.

Guiding the way will be the School District’s Strategic Plan. Initially developed in 1989 with input from more than 200 people, including parents, volunteers, students, school administrators, teachers, classified staff members, representatives from business, industry and the community at large, the plan provides the framework to move the School District into the 21st century. Many of the initiatives for this school year are outgrowths of our Strategic Plan. Specific initiatives for 2005-06 were as follows:

- To continue to improve student achievement, including raising proficient scores at all levels – elementary, middle school, and high school.
- To continue to focus on issues related to student behavior, high expectations, a positive school climate, and a productive learning environment.
- To continue to integrate the use of technology into the instructional setting, grades pre-K through 12.
- To develop and implement an aggressive plan to unite our communities in support of our mission and strategic plan.
- To continue to foster a positive working relationship among the certified, classified, and administrative teams, so as to maintain a productive working environment.
- To continue efforts to improve the parent involvement and partnerships throughout the School District.
- To plan for our facilities for the future in our community.

Service Efforts

Preparing students to be responsible adults is an important tenet of the School District’s mission to prepare students to be good citizens. Students are encouraged to work collaboratively with their communities in a variety of ways. For example, students sponsor food and clothing drives for needy families, perform musical selections for residents of local nursing homes, and create artwork to brighten the rooms of residents at a local hospice. Other examples of students’ community service efforts during the last school year are as follows:

- Eagle Card - recognizing Senior Citizens
- Community Blood Drive
- Angel Tree
- Students involved in grounds clean-up
- Veterans Day Activities
- United Way fundraising drive
- Hunger Task Force
- Senior Citizen Luncheon
- Holiday projects for needy - all schools
- Grant School Resources Officer

Financial Information

Internal Accounting and Budgetary Control

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by either the Superintendent or Assistant Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds utilized by Eastwood Local Schools are fully described in Note 1 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 3.

Financial Condition

The School District has prepared financial statements following GASB Statement 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements include only governmental activities. The School District has no business-type activities.

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

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

As part of this reporting model, management is responsible for preparing a Discussion and Analysis of the School District. The discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2006. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter,

Financial Highlights - Internal Service Fund

The only internal service fund carried on the financial records is related to field trips and miscellaneous rotary fund. This fund accounts for the revenues and expenses related to the school trips for educational purpose to the School District students. The internal service fund had net assets of \$11,172 at June 30, 2006 compared with net assets of \$13,743 at June 30, 2005, reflecting a net loss of \$2,571.

Financial Highlights – Fiduciary Funds

The agency funds on the financial records of the School District are related to the SERRC Center and Student Activities. The SERRC Fund deals with education of school personnel on special education issues that has assets totaling \$379,643 at June 30, 2006. The Student Activities Fund is set up to provide additional reading materials to the various schools libraries in the School District and has assets totaling \$44,909 at June 30, 2006.

Cash Management

The Board has established a cash management program that expedites the collection of local and state funds through electronic fund transfer and daily deposits. Funds deposited in local financial institutions are insured by the Federal Deposit Insurance Corporation as well as collateralized by investments in instruments issued by the United States Government or the State of Ohio. The total amount of interest earned for the year ended June 30, 2006 was \$168,309 of which \$166,309 was credited directly to the general fund.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must be equal to at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program.

The School District maintains general liability insurance, professional liability insurance, fleet insurance, and insurance on buildings and contents with Nationwide Insurance Company and Indiana Insurance Company.

Pension Plans

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 9 and 10 to the basic financial statements for complete details.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. As mentioned earlier, independent auditor James G. Zupka, Inc. was selected to render an opinion on the School District's financial statements for the year ended June 30, 2006. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1981 fiscal year.

Awards

Student Awards

Eastwood Local School District is proud of its students for their accomplishments. In past years, some of our outstanding achievements included:

- Annually handing out Scholarships in excess of millions
- Eastwood Education Foundation
- Franklin B. Walter Award
- Monthly Board Commendations

- Drug Abuse Prevention Calendar
- Recognized as “Excellent” school district by the State of Ohio

GFOA Certificate of Achievement

The Government Finance Officers’ Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the School District for its fiscal year ended June 30, 2005 CAFR. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such a CAFR 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 our current CAFR, conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Acknowledgements

The publication of this report continues the School District’s commitment to professionalism in financial reporting. The accomplishment of this report would not have been made possible without the assistance, support and efforts of the School District’s administration. Assistance from the County Auditor’s staff and outside agencies made possible the fair presentation of the statistical data.

Finally, sincere appreciation is extended to the Board of Education for their support for this project.

Respectfully submitted,



David Michel, MBA
Treasurer

Eastwood Local School District
Officials Roster
For the Year Ended June 30, 2006

ELECTED OFFICIALS

<u>BOARD OF EDUCATION</u>	<u>TITLE</u>	<u>TERM OF EXPIRATION</u>	<u>SURETY</u>
Robert Kuhlman	President	1/1/06 - 12/31/09	(A)
Roger Bostdorff	Vice-President	1/1/06 - 12/31/09	(A)
Denis Helm	Member	1/1/06 - 12/31/09	(A)
Timothy Shank	Member	1/1/04 - 12/31/07	(A)
Randall Cajka	Member	1/1/06 - 12/31/09	(A)

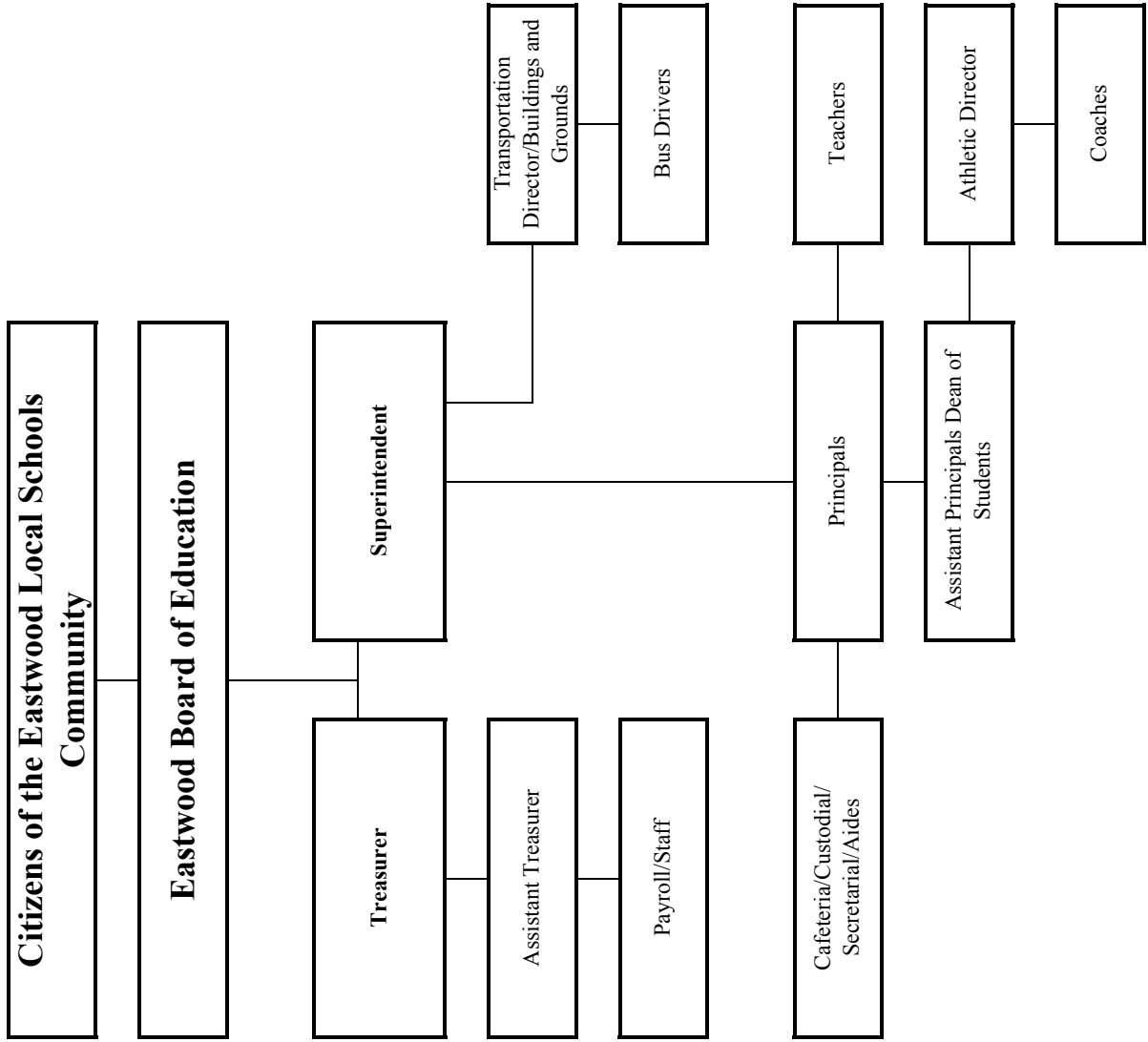
APPOINTED OFFICIALS

David Michel, MBA	Treasurer	1/1/06-12/31/09	(B)
Brent Welker	Superintendent	8/1/06-07/31/08	(A)

(A) Nationwide Mutual Insurance Company in the amount of \$20,000.

(B) Nationwide Mutual Insurance Company in the amount of \$75,000.

ORGANIZATIONAL CHART FOR THE EASTWOOD LOCAL SCHOOLS



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Eastwood Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



President

Executive Director

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FINANCIAL SECTION

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Eastwood Local School District

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eastwood Local School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Eastwood Local School District, Ohio's management. Our responsibility is to express opinions on these basic financial statements based on our audit.


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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Eastwood Local School District, Ohio, as of June 30, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2007, on our consideration of the Eastwood Local School District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered 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 required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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


James G. Zupka, CPA, Inc.
Certified Public Accountants

July 9, 2007

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The discussion and analysis of Eastwood Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- For governmental activities, net assets decreased by \$619,923, which represents over an 19.7 percent decrease from 2005 adjusted balance.
- General revenues accounted for \$13,198,545 in revenue or 84.7 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,376,474 or 15.3 percent of total governmental revenues of \$15,575,019.
- The School District had \$16,194,942 in expenses related to governmental activities; only \$2,376,474 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and school foundation) of \$13,198,545 were inadequate to provide for these programs, resulting in a decrease in net assets.
- The only major fund, the general fund had \$13,135,855 in revenues and \$13,524,465 in expenditures. The general fund's fund balance decreased \$388,610 from \$1,798,130
- Voters approved a 4.8 mill emergency operating levy in August of 2005.

Using this Annual Financial Report

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

The statement of net assets and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present 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 most significant funds with all other nonmajor funds presented in total in one column. In the case of Eastwood Local School District, the general fund is the most significant fund.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Reporting the School District as a Whole

Government-wide Financial Statements. The government-wide financial statements are designed to provide reader with a broad overview of the School District's finances, in a manner similar to a private-sector business.

Statement of Net Assets and the Statement of Activities While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2006?" These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis, of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's current property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the School District's activities are considered to be all Governmental Activities:

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities.

The government-wide financial statements can be found on pages 14-15 of this report.

Reporting the School District's Most Significant Funds

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The School District, like the state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

information presented for governmental activities in the government-wide financial statements. By doing so, reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be the major fund. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The School District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The fund financial statements can be found on pages 16-20 of this report.

Proprietary Funds The School District maintains one type of proprietary fund, the internal service fund. The internal service fund is an accounting device used to accumulate and allocate costs internally amount the School District's various functions. The School District uses its internal service fund to account for its field trips and other various purposes. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The fiduciary fund financial statements can be found on page 24 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-48 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents the combining statements. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on page 49-90 of this report.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. A comparative analysis is presented below. Table 1 provides a summary of the School District's net assets for 2006 and 2005:

Table 1		
Net Assets		
Governmental Activities		
	<u>2006</u>	Restated <u>2005</u>
Assets:		
Current and other assets	\$ 9,099,120	\$ 8,440,505
Capital assets	<u>5,124,401</u>	<u>5,305,460</u>
Total assets	<u>14,223,521</u>	<u>13,745,965</u>
Liabilities:		
Current liabilities	7,170,810	5,939,186
Long-term liabilities	<u>4,525,065</u>	<u>4,659,210</u>
Total liabilities	<u>11,695,875</u>	<u>10,598,396</u>
Net assets:		
Invested in capital assets	1,170,898	1,109,071
Restricted	898,006	1,134,418
Unrestricted	<u>458,742</u>	<u>904,080</u>
Total net assets	<u>\$ 2,527,646</u>	<u>\$ 3,147,569</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2006, the School District's assets exceeded liabilities by \$2,527,646.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The bulk of the School District's net assets, \$458,742 reflect its unrestricted net assets. The School District uses these unrestricted net assets to meet ongoing obligations to the residents and creditors. Invested in capital assets (e.g., land, building and improvements, furniture, equipment and fixtures, and vehicles) reflect \$1,170,898. The School District uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

An additional portion of the School District's net assets, \$898,006 or 35.5 percent, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted assets, \$123,101, or 13.7 percent, is restricted for debt service payments; \$536,075, or 59.7 percent, is restricted for the budget stabilization reserve and \$238,830, or 26.6 percent is restricted for other purposes. At the end of the current fiscal year, the School District is able to report positive balances in all categories of net assets, except for capital projects.

The School District's assets increased by \$477,556 during the current fiscal year, while, net assets decreased by \$619,923, which is mainly attributed to an increase in non-capital expenses and a decrease in revenues as compared to the previous year.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Table 2 shows change in net assets for fiscal years 2006 and 2005.

Table 2
Governmental Activities

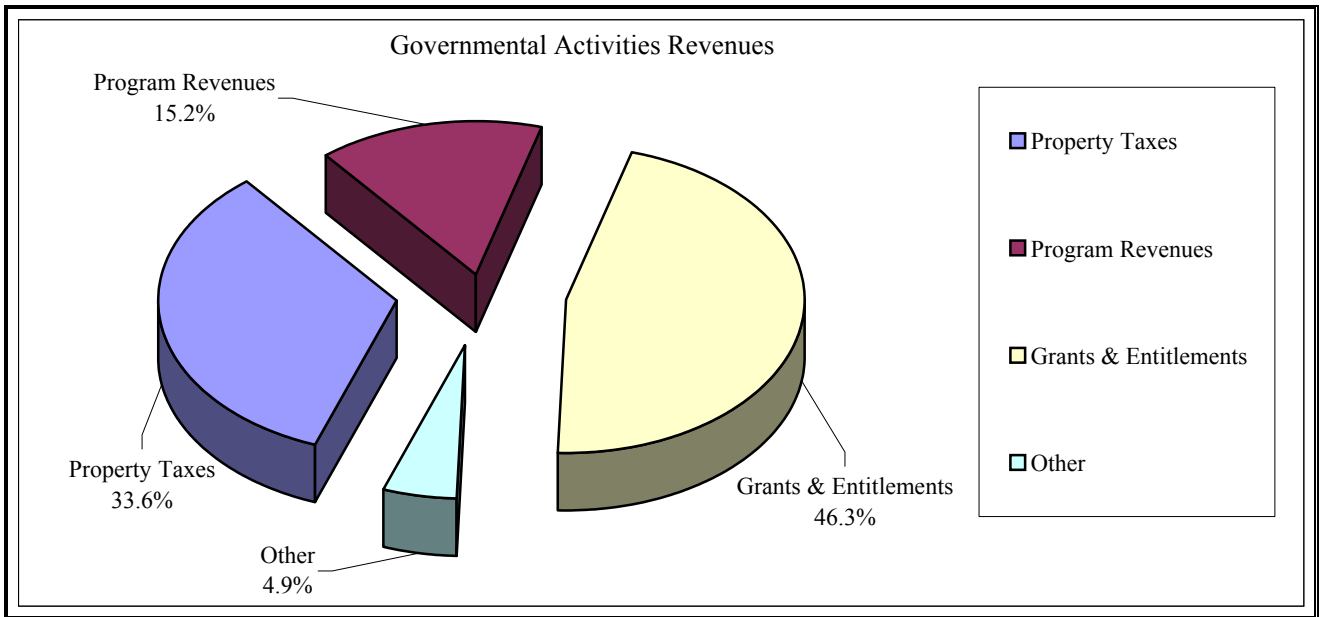
	<u>2006</u>	<u>2005</u>
Revenue:		
Program revenues:		
Charges for services and sales	\$ 1,431,756	\$ 1,170,324
Operating grants and contributions	932,454	664,402
Capital grants and contributions	12,264	-
General revenues:		
Property taxes	5,234,693	4,797,687
Grants and entitlements	7,207,424	7,359,330
Payment in lieu of taxes	500,000	500,000
Investment earnings	166,309	127,029
Gain on sale of capital assets	-	1,900
Miscellaneous	90,119	156,253
Total revenues	<u>15,575,019</u>	<u>14,776,925</u>
Expenses:		
Instruction:		
Regular	7,333,012	6,995,831
Special	1,716,104	1,207,926
Vocational	159,214	177,313
Adult continuing	53	55
Other	-	100,262
Support services:		
Pupils	552,413	501,140
Instructional staff	364,213	397,482
Board of education	19,010	49,213
Administration	1,425,964	1,064,825
Fiscal	405,780	373,289
Business	-	55
Operation and maintenance of plant	1,663,118	1,574,575
Pupil transportation	1,197,982	1,247,542
Central	1,357	1,386
Operation of non-instructional services	663,126	682,578
Extracurricular activities	473,818	442,206
Interest and fiscal charges	219,778	310,602
Total expenses	<u>16,194,942</u>	<u>15,126,280</u>
Changes in net assets	(619,923)	(349,355)
Beginning net assets, as restated	3,147,569	3,496,924
Ending net assets	<u>\$ 2,527,646</u>	<u>\$ 3,147,569</u>

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Governmental Activities - The School District has carefully planned its financial existence by forecasting its revenues and expenses over the next five years. The School District's revenue growth is mostly dependent upon property tax increases. Property taxes made up 33.6 percent of revenues for governmental activities for the School District in fiscal year 2006. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating cost.

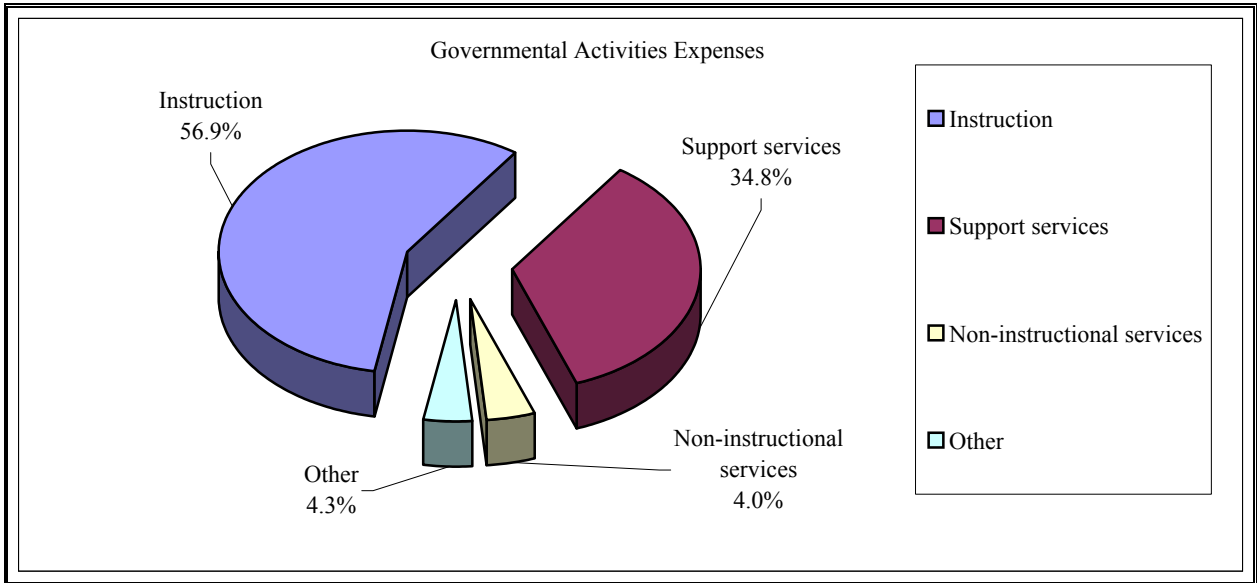
The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service.



Instruction comprises 56.9 percent of governmental program expenses. Additional supporting services for pupils, staff, administration and business operations encompassed an additional 34.8 percent. The remaining 8.3 percent of program expenses is used for other obligations of the School District such as non-instructional services, extracurricular activities and interest and fiscal charges.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited



For the most part, the increase in expenses closely paralleled inflation and growth in the demand for services. The expenses increased by \$1,068,662 in comparison to the prior fiscal year, mostly due to the reclassification of agency fund activity to the governmental activities.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for 2006 and 2005. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	<u>2006</u>		<u>2005</u>		<u>Net Change</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Program Expenses:						
Instruction:						
Regular	7,333,012	(6,683,557)	6,995,831	(6,414,392)	(337,181)	269,165
Special	1,716,104	(1,198,370)	1,207,926	(1,029,246)	(508,178)	169,124
Vocational	159,214	(126,217)	177,313	(177,313)	18,099	(51,096)
Adult continuing	53	(53)	55	(55)	2	(2)
Other	-	-	100,262	(100,262)	100,262	(100,262)
Support services:						
Pupils	552,413	(522,953)	501,140	(468,732)	(51,273)	54,221
Instructional staff	364,213	(353,108)	397,482	(397,482)	33,269	(44,374)
Board of education	19,010	(19,010)	49,213	(49,213)	30,203	(30,203)
Administration	1,425,964	(1,384,643)	1,064,825	(1,064,825)	(361,139)	319,818
Fiscal	405,780	(372,498)	373,289	(373,289)	(32,491)	(791)
Business	-	-	55	(55)	55	(55)
Operation and maintenance of plant	1,663,118	(1,586,588)	1,574,575	(1,574,575)	(88,543)	12,013
Pupil transportation	1,197,982	(1,163,635)	1,247,542	(1,247,542)	49,560	(83,907)
Central	1,357	4,719	1,386	(1,386)	29	(6,105)
Operation of non- instructional services	663,126	1,627	682,578	(44,237)	19,452	(45,864)
Extracurricular activities	473,818	(194,404)	442,206	(38,348)	(31,612)	156,056
Interest and fiscal charges	219,778	(219,778)	310,602	(310,602)	90,824	(90,824)
Total expenses	<u>\$ 16,194,942</u>	<u>\$(13,818,468)</u>	<u>\$ 15,126,280</u>	<u>\$(13,291,554)</u>	<u>\$ (1,068,662)</u>	<u>\$ 526,914</u>

Financial Analysis of the Governmental Funds

Governmental Funds. Information about the School District's governmental funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$15,606,374 and expenditures of \$16,131,063. The total governmental fund balance decreased \$524,689. The net change in governmental fund balance for the year was most significant in the general fund, where the fund balance decreased \$388,610 for fiscal year 2006.

The general fund is the chief operating fund of the School District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$313,615, while total fund balance decreased to \$1,409,520. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. Unreserved

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

fund balance represents 2.3 percent of total general fund expenditures, while total fund balance represents 10.4 percent of that same amount. The key factor in this decrease of fund balance for the general fund was due to an increase of expenditures by \$537,271 not specific to any one function.

General Fund Budgeting 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. The most significant budgeted fund is the general fund.

During the course of fiscal year 2006 the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budget basis revenue was \$13,173,345, the original budget estimate of \$12,303,000. Of this \$870,345 difference, intergovernmental revenue was approximately \$484,963 over original estimates. The intergovernmental revenue line item fluctuates year to year and is budgeted on a conservative basis to avoid revenue overestimations.

The difference between the original budget appropriations and the final amended budget appropriations of the general fund were approximately \$731,477. Most of the increase occurred in instruction, which amounted to \$418,049.

Actual revenue of \$13,181,187, which was a \$7,842 increase from the final estimate and as a result of this, expenditures were carefully monitored and actual expenditures came under budget by \$2,343,086.

Capital Assets and Debt Administration

Capital Assets. The School District's investment in capital assets for its governmental activities as of June 30, 2006, amount to \$5,124,401 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture, equipment and fixtures, and vehicles. The total decrease in the School District's investment in capital assets for the current fiscal year was 3.4 percent, which was primarily due to current year depreciation.

Table 4
 Capital Assets (Net of Depreciation)
 Governmental Activities

	<u>2006</u>	<u>2005</u>
Land	\$ 261,067	\$ 261,067
Buildings and improvements	4,817,728	4,980,123
Furniture, equipment and fixtures	4,419	5,892
Vehicles	<u>41,187</u>	<u>58,378</u>
Total Capital Assets, Net	<u>\$ 5,124,401</u>	<u>\$ 5,305,460</u>

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

There was no major activity related to capital assets during the current year. Additional information on the School District's capital assets can be found in Note 7 of the basic financial statements.

Debt. At June 30, 2006, the School District had \$3,953,503 in bonds (including bond accretion) outstanding with \$280,000 due within one year. Table 5 summarizes the bonds outstanding:

Table 5
 Outstanding Debt, at Fiscal Year End
 Governmental Activities

	<u>2006</u>	Restated <u>2005</u>
High School addition and renovation bonds	\$ 3,563,503	\$ 3,686,389
Classroom facilities improvement bonds	<u>390,000</u>	<u>510,000</u>
Total bonds	<u>\$ 3,953,503</u>	<u>\$ 4,196,389</u>

At June 30, 2006, the School District's overall legal debt margin was \$13,618,006 with an unvoted debt margin of \$309,784. The School District is rated Aaa by Moody's Investors Service. The School District has budgeted to meet all of its debt requirements, all of which are to be repaid from the debt service fund. See Note 12, to the basic financial statements for details on the School District's debt.

Current Financial Related Activities

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges. These challenges stem from issues that are local and at the State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system. Although the School District relies heavily on its property taxpayers to support its operations, the community support for the schools is quite strong.

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, 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 questions about this report or need additional financial information contact Dave Michel, Treasurer at Eastwood Local School District, 4800 Sugar Ridge Street, Pemberville, Ohio 43450.

Eastwood Local School District

Statement of Net Assets

June 30, 2006

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 3,225,774
Inventory held for resale	12,916
Materials and supplies inventory	3,360
<u>Receivables:</u>	
Accounts	52,623
Intergovernmental	19,526
Due from agency fund	120,367
Taxes	5,550,089
Prepaid items	114,465
<u>Capital assets:</u>	
Land	261,067
Depreciable capital assets, net	4,863,334
Total assets	<u>14,223,521</u>
<u>Liabilities:</u>	
Accounts payable	130,813
Accrued wages	1,412,472
Matured compensated absences payable	1,236
Intergovernmental payable	74,119
Pension obligation payable	461,329
Accrued interest payable	14,394
Deferred revenue	5,076,447
<u>Long-term liabilities:</u>	
Due within one year	308,427
Due in more than one year	4,216,638
Total liabilities	<u>11,695,875</u>
<u>Net assets:</u>	
Invested in capital assets, net of related debt	1,170,898
<u>Restricted for:</u>	
Budget Stabilization	536,075
Debt service	123,101
Other purposes	238,830
Unrestricted	458,742
Total net assets	<u>\$ 2,527,646</u>

See accompanying notes to the basic financial statements.

Eastwood Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2006

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Assets
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$ 7,333,012	\$ 593,483	\$ 55,972	\$ -
Special	1,716,104	-	517,734	-
Vocational	159,214	-	32,997	-
Adult/continuing	53	-	-	-
Support services:				
Pupils	552,413	-	29,460	-
Instructional staff	364,213	9,055	2,050	-
Board of education	19,010	-	-	-
Administration	1,425,964	-	41,321	-
Fiscal	405,780	-	33,282	-
Operation and maintenance of plant	1,663,118	53,508	23,022	-
Pupil transportation	1,197,982	-	22,083	12,264
Central	1,357	-	6,076	-
Operation of non-instructional services	663,126	496,439	168,314	-
Extracurricular activities	473,818	279,271	143	-
Interest and fiscal charges	219,778	-	-	-
Total governmental activities	\$ 16,194,942	\$ 1,431,756	\$ 932,454	\$ 12,264

General Revenues:

Property taxes levied for:

General purposes	4,621,427
Debt service	375,945
Capital outlay	237,321
Grants and entitlements not restricted to specific programs	7,207,424
Payment in Lieu of Taxes	500,000
Investment earnings	166,309
Miscellaneous	90,119
Total general revenues	13,198,545
Change in net assets	(619,923)
Net assets beginning of year, as restated	3,147,569
Net assets end of year	\$ 2,527,646

See accompanying notes to the basic financial statements.

Eastwood Local School District

Balance Sheet Governmental Funds June 30, 2006

	General	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 2,088,986	\$ 589,541	\$ 2,678,527
Inventory held for resale	-	12,916	12,916
Materials and supplies inventory	-	3,360	3,360
<u>Receivables:</u>			
Accounts	52,441	182	52,623
Intergovernmental	-	19,526	19,526
Interfund	57,811	-	57,811
Taxes	4,982,428	567,661	5,550,089
Due from agency fund	120,367	-	120,367
Prepaid items	108,805	5,660	114,465
Equity in pooled cash and cash equivalents (restricted)	536,075	-	536,075
Advances to other funds	136,648	-	136,648
Total assets	\$ 8,083,561	\$ 1,198,846	\$ 9,282,407
<u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 104,739	\$ 26,074	\$ 130,813
Accrued wages	1,382,318	30,154	1,412,472
Matured compensated absences payable	1,236	-	1,236
Interfund payable	-	57,811	57,811
Intergovernmental payable	73,682	437	74,119
Pension obligation payable	433,581	27,748	461,329
Deferred revenue	4,678,485	538,762	5,217,247
Advances from other funds	-	136,648	136,648
Total liabilities	6,674,041	817,634	7,491,675
<u>Fund balances:</u>			
Reserved for encumbrances	119,239	32,032	151,271
Reserved for advances	136,648	-	136,648
Reserved for property taxes	303,943	31,223	335,166
Reserved for budget stabilization	536,075	-	536,075
Unreserved,			
Undesignated, reported in:			
General fund	313,615	-	313,615
Special revenue funds	-	254,630	254,630
Debt service fund	-	113,480	113,480
Capital projects funds	-	(50,153)	(50,153)
Total fund balances	1,409,520	381,212	1,790,732
Total liabilities and fund balances	\$ 8,083,561	\$ 1,198,846	\$ 9,282,407

See accompanying notes to the basic financial statements.

Eastwood Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities*
 June 30, 2006

Total governmental fund balances		\$	1,790,732
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.			5,124,401
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:			
Property taxes	\$	138,476	
Intergovernmental		2,324	
			140,800
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.			11,172
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:			
General obligation bonds	\$	(3,953,503)	
Compensated absences		(571,562)	
Accrued interest payable		(14,394)	
Total			(4,539,459)
Net assets of governmental activities		\$	2,527,646

See accompanying notes to the basic financial statements.

Eastwood Local School District
*Statement of Revenues, Expenditures
and Changes in Fund Balances*
Governmental Funds
For the Fiscal Year Ended June 30, 2006

	General	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>			
Property taxes	\$ 4,559,900	\$ 607,931	\$ 5,167,831
Payment in lieu of taxes	500,000	-	500,000
Intergovernmental	7,321,989	925,997	8,247,986
Interest	166,309	2,000	168,309
Tuition and fees	420,878	83,239	504,117
Extracurricular activities	-	360,418	360,418
Gifts and donations	-	374	374
Charges for services	23,152	490,560	513,712
Rent	53,508	-	53,508
Miscellaneous	90,119	-	90,119
Total revenues	<u>13,135,855</u>	<u>2,470,519</u>	<u>15,606,374</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,873,515	270,645	7,144,160
Special	1,218,328	497,131	1,715,459
Vocational	155,077	2,002	157,079
Support services:			
Pupils	527,780	22,080	549,860
Instructional staff	306,662	22,060	328,722
Board of education	19,010	-	19,010
Administration	1,384,476	22,353	1,406,829
Fiscal	382,999	22,728	405,727
Operation and maintenance of plant	1,307,294	347,826	1,655,120
Pupil transportation	1,148,344	15,752	1,164,096
Operation of non-instructional services	-	668,149	668,149
Extracurricular activities	200,980	267,602	468,582
Debt service:			
Principal retirement	-	270,000	270,000
Interest and fiscal charges	-	178,270	178,270
Total expenditures	<u>13,524,465</u>	<u>2,606,598</u>	<u>16,131,063</u>
Net change in fund balances	(388,610)	(136,079)	(524,689)
Fund balances at beginning of year, as restated	1,798,130	517,291	2,315,421
Fund balances at end of year	<u>\$ 1,409,520</u>	<u>\$ 381,212</u>	<u>\$ 1,790,732</u>

See accompanying notes to the basic financial statements.

Eastwood Local 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, 2006*

Net change in fund balances - total governmental funds	\$	(524,689)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. 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:</p>		
Depreciation expense		(181,059)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:</p>		
Property taxes	\$ 66,862	
Intergovernmental	(98,217)	
Net change in deferred revenues during the year		(31,355)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
		270,000
<p>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:</p>		
Increase in compensated absences	\$ (108,741)	
Increase in accrued interest	(14,394)	
Bond accretion	(27,114)	
Total additional expenditures		(150,249)
<p>The internal service fund used by management to charge the costs of medical, prescription drug, dental and vision claims to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.</p>		
		(2,571)
Change in net assets of governmental activities	\$	(619,923)

See accompanying notes to the basic financial statements.

Eastwood Local 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, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$ 4,379,754	\$ 4,689,590	\$ 4,678,942	\$ (10,648)
Payment in lieu of taxes	468,028	501,138	500,000	(1,138)
Intergovernmental	6,855,333	7,340,296	7,323,630	(16,666)
Interest	155,675	166,687	166,309	(378)
Tuition and fees	393,966	421,836	420,878	(958)
Rent	25,081	26,855	26,794	(61)
Charges for services	21,672	23,205	23,152	(53)
Miscellaneous	3,491	3,738	41,482	37,744
Total revenues	<u>12,303,000</u>	<u>13,173,345</u>	<u>13,181,187</u>	<u>7,842</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,546,957	7,876,999	6,734,518	1,142,481
Special	1,490,205	1,568,537	1,329,783	238,754
Vocational	169,816	179,491	151,535	27,956
Support services:				
Pupils	509,992	539,053	455,092	83,961
Instructional staff	336,747	355,936	300,496	55,440
Board of education	22,344	23,618	19,939	3,679
Administration	1,432,293	1,508,908	1,278,104	230,804
Fiscal	428,302	452,708	382,195	70,513
Operation and maintenance of plant	1,464,090	1,542,517	1,306,479	236,038
Pupil transportation	1,348,214	1,420,038	1,203,077	216,961
Extracurricular activities	221,707	234,339	197,840	36,499
Total expenditures	<u>14,970,667</u>	<u>15,702,144</u>	<u>13,359,058</u>	<u>2,343,086</u>
Excess of revenues over (under) expenditures	<u>(2,667,667)</u>	<u>(2,528,799)</u>	<u>(177,871)</u>	<u>2,350,928</u>
<u>Other financing sources (uses):</u>				
Refund of prior year expenditures	-	25,062	25,062	-
Advances in	-	82,532	44,780	(37,752)
Advances out	-	(163,932)	(163,932)	-
Total other financing sources (uses)	<u>-</u>	<u>(56,338)</u>	<u>(94,090)</u>	<u>(37,752)</u>
Net change in fund balance	(2,667,667)	(2,585,137)	(271,961)	2,313,176
Fund balance at beginning of year	2,546,082	2,546,082	2,546,082	-
Prior year encumbrances appropriated	121,586	121,586	121,586	-
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 82,531</u>	<u>\$ 2,395,707</u>	<u>\$ 2,313,176</u>

See accompanying notes to the basic financial statements.

Eastwood Local School District
Statement of Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2006

	Governmental- Activities Internal Service Fund
<u>Assets:</u>	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 11,172
	-
<u>Liabilities:</u>	
Total liabilities	-
<u>Net assets:</u>	
Unrestricted	11,172
Total liabilities and net assets	\$ 11,172

See accompanying notes to the basic financial statements.

Eastwood Local School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2006

	Governmental- Activities Internal Service Fund
<u>Operating revenues:</u>	
Other revenues	\$ 23,841
<u>Operating expenses:</u>	
Other	26,412
Change in net assets	(2,571)
Net assets beginning of year	13,743
Net assets end of year	\$ 11,172

See accompanying notes to the basic financial statements.

Eastwood Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2006

	Governmental- Activities Internal Service Fund
<u>Cash flows from operating activities:</u>	
Cash received from other operating sources	\$ 23,841
Cash payments for other operating expenses	<u>(26,412)</u>
Net cash provided by (used in) operating activities	<u>(2,571)</u>
Net increase (decrease) in cash and cash equivalents	(2,571)
Cash and cash equivalents at beginning of year	<u>13,743</u>
Cash and cash equivalents at end of year	<u><u>\$ 11,172</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (2,571)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (2,571)</u></u>

See accompanying notes to the basic financial statements.

Eastwood Local School District
Combined Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2006

	Agency
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 162,654
Receivable:	
Intergovernmental	250,380
Prepaid items	11,518
Total assets	\$ 424,552
 <u>Liabilities:</u>	
Accounts payable	\$ 43,160
Accrued wages	207,452
Due to general fund	120,367
Intergovernmental payable	13,846
Due to students	39,727
Total liabilities	\$ 424,552

See accompanying notes to the basic financial statements.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the School District:

Eastwood Local School District (the "School District") is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established through the consolidation of existing land areas and school districts. The School District serves an area of approximately 27 square miles. It is located in Wood County, and includes the territories of the Villages of Pemberville and Luckey and the Townships of Freedom, Troy, Webster, Middleton, and Perrysburg. It is staffed by 92 non-certificated employees and 107 certificated full-time teaching personnel who provide services to 1,922 students and other community members. The School District currently operates 6 instructional buildings, 1 administrative building, and a garage.

Reporting Entity:

The 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 consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Eastwood Local 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 of the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. Based on the above description, there are no component units within the School District.

The School District is associated with two organizations which are defined as jointly governed organizations and an insurance purchasing pool. These organizations are the Northern Ohio Educational Computer Association, the Penta County Vocational School, and the Ohio School Boards Association Worker's Compensation Group Rating Plan. These organizations are presented in Notes 14 and 15 to the basic financial statements.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

The following activities are included within the reporting entity as an agency fund:

Special Education Regional Resource Center (SERRC) - a separate body corporate and politic within the School District's boundaries. The federal Department of Education provides funding to the SERRC, which is received and disbursed through the School District's financial records, at the direction of the SERRC.

The financial statements of the Eastwood Local 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 through 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. Fund Accounting

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types:

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 is the School District's major governmental fund:

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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

Proprietary Fund Types:

Proprietary fund reporting focuses on the determination of the changes in net assets, financial position and cash flows and are classified as internal service.

Internal Service Fund The only internal service fund carried on the financial records is related to field trips and miscellaneous rotary fund.

Fiduciary Fund Types:

Fiduciary funds reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trusts, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds account for student activities managed by the student body and the other for monies held in a fiscal agency capacity for SERRC.

B. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The effect of interfund activity, within governmental type activities columns has been removed from these statements.

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 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. 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

Fund Financial Statements Fund financial statements report detailed information about the School District. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is represented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

C. 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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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. Available means that the resources will be collected 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 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 5). 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 fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

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

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, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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 governmental funds.

D. Budgetary Process

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made of resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Wood County Budget Commission for rate determination.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the first and final amended certificate issued during fiscal year 2006.

Appropriations:

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

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures which appear in the statements of budgetary comparisons represent the first and final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Lapsing of Appropriations:

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

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non - GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent - year expenditures for governmental funds.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

E. Cash and Cash Equivalents

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

For purposes of the statement of cash flows and for presentation on the balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 17 for additional information regarding set-asides.

F. Inventory

Inventory is presented at the lower of cost or market on a first-in, first-out basis and is expended/expensed when used. Inventory consists of administrative supplies, custodial supplies, and donated and purchased food.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2006, 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. Capital Assets and Depreciation

General capital assets are those assets resulting from expenditures in governmental funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the government activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates 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. Interest incurred during the construction of capital assets is also 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:

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Building and improvements	20 - 50 years
Furniture, equipment and fixtures	5 - 20 years
Vehicles	8 years

I. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a nonreimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred.

J. Interfund Assets/Liabilities

On the fund financial statements, receivables and payables resulting short-term from interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities statement of net assets. Long-term loans between funds are classified as “Advances to/from Other Funds”, with a corresponding reserve of fund balance for the asset. These amounts are also eliminated in the governmental activities statement of net assets.

K. Compensated Absences

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all classified and non-classified employees that had ten years or more of service were considered expected to become eligible to retire in accordance with GASB 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

For the governmental fund financial statements, upon the occurrence of employee resignations and retirements, compensated absences are recognized as liabilities and expenditures to the extent payments come due and payable as of June 30, 2006. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The remaining compensated absences are recorded as long term liabilities on the Statement of Net Assets.

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 are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and special termination benefits 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 during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due.

M. Interfund Transactions

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

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 appropriations or expenditures. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, advances, 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

P. Estimates

The preparation of the 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.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues include amounts for field trips and miscellaneous rotary activity. Operating expenses are necessary costs occurred to provide the good or service that is the primary activity of the fund.

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENTS

A. Changes in accounting principles

For the fiscal year ended 2006, the School District implemented GASB Statement No. 42, "Accounting and Financial Reporting Impairment of Capital Assets and for Insurance Recoveries", GASB Statements No. 44, "Economic Condition Reporting: The Statistical Section" and GASB Statement No. 47, "Accounting for Termination Benefits."

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present and supplementary information in the statistical section. GASB Statement No. 47 establishes standards of accounting and financial reporting for termination benefits. The implementation of GASB Statement No. 42, 44 and 47 did not materially affect the presentation of the financial statements of the School District.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

B. Prior period adjustment

In fiscal year 2006, a portion of the SERCC Center was reclassified to a special revenue fund. Following the close of the previous fiscal year, accretion on bonds was revealed to be erroneously reported. As a result of these errors, a restatement of fund balance and net assets is required.

The restatement of fund balance is presented below:

	General	Other Governmental	Total Governmental Funds
Fund balances at June 30, 2005	\$ 1,798,130	\$ 453,374	\$ 2,251,504
SERRC Center	-	63,917	63,917
Restated fund balances, July 31, 2005	\$ 1,798,130	\$ 517,291	\$ 2,315,421

The restatement of net assets is presented below:

	Governmental Activities
Net assets, June 30, 2005	\$ 3,205,349
Long-term debt	(121,697)
SERRC Center	63,917
Restated net assets, as of July 1, 2005	\$ 3,147,569

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance 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 Budget Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for (GAAP basis).

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

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

Net Change in Fund Balances	
	General Fund
GAAP basis	\$ (388,610)
Net adjustment for revenue accruals	115,174
Net adjustment for expenditure accruals	230,829
Adjustment for encumbrances	(229,354)
Budget basis	\$ (271,961)

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

3. Written repurchase agreements for a period not to exceed thirty days in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

All interest is legally required to be placed in the general fund, and other funds as approved by a Board resolution. Interest revenue credited to the general fund during fiscal year 2006 amount to \$166,309, which includes \$34,463 assigned from other School District funds.

A. Cash on hand

At fiscal year-end, the School District had \$1,276 in undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

B. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, the carrying amount of the School District's deposits was \$3,387,152. The School District's bank balance of \$3,747,348 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department and not in the School District's name	\$ 3,547,348
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NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed at 35% of true value and public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. In prior years, tangible personal property was assessed at 25% of true value for capital assets and 23% of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75%. This will be reduced to 12.5% for 2007, 6.25% for 2008 and 0% for 2009.

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 alternative payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

The School District receives property taxes from Wood County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by year-end are available to finance the current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent and on the collection of delinquent taxes. The Board has passed a resolution to accept advances of property taxes and make them available for appropriation.

Accrued property tax receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes, which became measurable as of year-end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$303,943 in the general fund, \$17,117 in the debt service fund and \$14,106 in the permanent fund and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

During the fiscal year, voters approved a five year 4.8 mill emergency operating levy. The assessed values upon which the current fiscal year taxes were collected are:

<u>Property Category</u>	<u>2006 Assessed Value</u>	<u>2005 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 157,328,440	\$ 154,355,380
Commercial, industrial and minerals	16,731,960	-
Public utilities	122,630	-
<u>Tangible Personal Property</u>		
General	8,809,163	12,756,737
Public utilities	13,311,790	15,809,720
Total	<u>\$ 196,303,983</u>	<u>\$ 182,921,837</u>

NOTE 6 - RECEIVABLES

Receivables at June 30, 2006, consisted of taxes, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Nonmajor governmental funds reported intergovernmental receivables in the amount of \$19,526.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	<u>Balance</u> 7/1/2005	<u>Addition</u>	<u>Deletion</u>	<u>Balance</u> 6/30/2006
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 261,067	\$ -	\$ -	\$ 261,067
Capital Assets, being depreciated:				
Land Improvements	102,500	-	-	102,500
Buildings and Improvements	10,991,027	-	-	10,991,027
Furniture, Equipment and Fixtures	76,865	-	-	76,865
Vehicles	<u>782,542</u>	<u>-</u>	<u>-</u>	<u>782,542</u>
Total Capital Assets, being depreciated	<u>11,952,934</u>	<u>-</u>	<u>-</u>	<u>11,952,934</u>
Less Accumulated Depreciation:				
Land Improvements	(102,500)	-	-	(102,500)
Buildings and Improvements	(6,010,904)	(162,395)	-	(6,173,299)
Furniture, Equipment and Fixtures	(70,973)	(1,473)	-	(72,446)
Vehicles	<u>(724,164)</u>	<u>(17,191)</u>	<u>-</u>	<u>(741,355)</u>
Total Accumulated Depreciation	<u>(6,908,541)</u>	<u>(181,059)</u>	<u>-</u>	<u>(7,089,600)</u>
Total Capital Assets, being depreciated, net	<u>5,044,393</u>	<u>(181,059)</u>	<u>-</u>	<u>4,863,334</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,305,460</u>	<u>\$ (181,059)</u>	<u>\$ -</u>	<u>\$ 5,124,401</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 82,546
Special	2,135
Adult	53
Support Services:	
Pupil	2,553
Instructional Staff	22,940
Administration	7,297
Fiscal	53
Pupil Transportation	56,889
Central	1,357
Extracurricular Activities	<u>5,236</u>
Total Depreciation Expense	<u>\$ 181,059</u>

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2006, the District has entered into contracts with Nationwide Insurance Company for general liability insurance. Professional liability is protected by Nationwide Insurance Company with \$1,000,000 each occurrence, \$5,000,000 aggregate limit.

Vehicles are covered by Indiana Insurance Company and hold a \$100 deductible for comprehensive. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years. Also, the District did not reduce the limits of liability significantly in the current year.

All employees of the School District are covered by a blanket bond, while certain individuals in policy making roles are covered by a separate, higher bond coverage.

The School District pays the State Worker's Compensation System, a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 9 - DEFINED BENEFIT PENSIONS PLAN

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, annual cost-of-living adjustments, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established 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 for SERS. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57% 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, 2006, 2005 and 2004 were \$247,971, \$240,724 and \$206,056, respectively; 40.33% has been contributed for fiscal year 2006 and 100% for the fiscal years 2005 and 2004. \$147,958, representing the unpaid contribution for fiscal year 2006, is recorded as an intergovernmental payable.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, disability, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

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% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001.

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 became 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, 2006, plan members were required to contribute 10% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

The School District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2006, 2005 and 2004 were \$1,043,306, \$941,460 and \$910,645, respectively; 85.19% has been contributed for fiscal year 2006 and 100% for the fiscal years 2005 and 2004. \$154,529, representing the unpaid contribution for fiscal year 2006, is recorded as an intergovernmental payable. Contributions to the DC and Combined plans for fiscal year 2006 were \$625 made by the School District and \$4,524 made by the plan members.

NOTE 10 - POSTEMPLOYMENT BENEFITS

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Benefit provisions and the obligations to contribute are established by the STRS based on authority granted by State statute. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. Health care benefits are on a pay-as-you-go basis.

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$80,254 during the 2006 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$3.5 billion at June 30, 2006. For the year ended June 30, 2006, the net health care costs paid by the STRS were \$282,743,000 and eligible benefit recipients totaled 119,184.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50% for those who apply. For this fiscal year, employer contributions to fund health care benefits were 3.42% of covered payroll. For the fiscal year 2005, employer contributions to fund health care benefits were 3.43% of covered payroll.

In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005 (latest information available), the minimum pay has been established at \$35,800. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$111,878, which includes a surcharge of \$31,721 during the 2006 fiscal year.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of the projected claims less premium contributions for the next fiscal year. Expenses for health care at June 30, 2006, were \$158,751,207. At June 30, 2006, the SERS's net assets available for payment of health care benefits was \$295.6 million, which is about 221% of net year's projected net health care costs. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual claims costs. The number of participants receiving health care benefits was approximately 59,492.

NOTE 11 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to twenty days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on a twelve month contracts do not earn vacation time. Full time Certified and Non-Certified employees are entitled to fifteen days sick leave at a rate on one and one-fourth days for each month under contract. This sick leave will either be absorbed by time off due to illness or injury or, within certain limitation, be paid to the employee upon retirement sick leave benefits up to 50 days for all employees.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Educational Employees' Life Insurance Trust and to classified employees through Core Source.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

NOTE 12 - DEBT OBLIGATIONS

The changes in the School District's debt obligations during fiscal year 2006 were as follows:

	Restated Balance <u>7/1/2005</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/2006</u>	Amount Due in One Year
Governmental Activities					
General obligation bonds:					
High School addition and Renovation 5.2792%	\$ 3,390,000	\$ -	\$ (150,000)	\$ 3,240,000	\$ 155,000
Capital appreciation bonds	174,692	-	-	174,692	-
Accretion on bonds	121,697	27,114	-	148,811	-
Energy Conservation 4.56%	<u>510,000</u>	<u>-</u>	<u>(120,000)</u>	<u>390,000</u>	<u>125,000</u>
Total general obligation bonds:	<u>4,196,389</u>	<u>27,114</u>	<u>(270,000)</u>	<u>3,953,503</u>	<u>280,000</u>
Other Obligations:					
Compensated Absences	<u>462,821</u>	<u>169,602</u>	<u>(60,861)</u>	<u>571,562</u>	<u>28,427</u>
Total Long-term Obligations	<u>\$ 4,659,210</u>	<u>\$ 196,716</u>	<u>\$ (330,861)</u>	<u>\$ 4,525,065</u>	<u>\$ 308,427</u>

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

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2006 are as follows:

Fiscal Year <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	280,000	166,855	446,855
2008	290,000	154,740	444,740
2009	305,000	141,795	446,795
2010	175,000	131,148	306,148
2011	185,000	122,955	307,955
2012-2016	564,692	969,943	1,534,635
2017-2021	1,160,000	360,990	1,520,990
2022-2024	845,000	64,625	909,625
	<u>\$ 3,804,692</u>	<u>\$ 2,113,051</u>	<u>\$ 5,917,743</u>

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2006 consisted of the following:

Due to general fund from:		
Nonmajor governmental funds	\$	57,811

Long-term advances at June 30, 2006 consisted of the following:

Due to general fund from:		
Nonmajor governmental funds	\$	136,648

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2006, all interfund loans outstanding are anticipated to be repaid in fiscal year 2007.

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

The School District is a participant in the Northern Ohio Educational Computer Association (NOECA) which is a computer consortium. NOECA is an association made up of seventeen participating school districts and two county boards. 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. NOECA is governed by an assembly consisting of the superintendents, or treasurers, or other designees of the member school districts. The assembly exercises total control over the operation of NOECA including budgeting, appropriating, contracting and designating management. All the NOECA revenues are generated from charges for services and state funding. To obtain information write to 219 Howard Drive, Sandusky, Ohio 44870.

The Penta County Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the sixteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Penta County Vocational School, Carrie Herringshaw, who serves as Treasurer, at 30095 Oregon Road, Perrysburg, Ohio 43551

NOTE 15 - INSURANCE RATING POOL

The School District participates in the Sheakley (OASBO) Workers' Compensation Group Rating Program (GRP), an insurance premium rating pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the cost of administering the program.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

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 district 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 ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates, McDonald & Co. provides administrative, cost control and actuarial services to the GRP. In accordance with the above, the OSBA Group Rating Program has not been included as a component unit of the reporting entity.

NOTE 16 - 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, 2006.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

NOTE 17 - SET-ASIDE REQUIREMENTS

The School District is required by State statute to annually set-aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. The amounts set-aside may be reduced by offset credits, which are monies received and restricted for the same specific purpose. Although the School District had qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may only be used to reduce the set-aside requirements of future years for the purchase of textbooks and/or instructional materials. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the other set-asides. Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2006

During the fiscal year ended June 30, 2006, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Improvement</u>	<u>Budget Reserve</u>	<u>Total</u>
Set aside balance as of June 30, 2005	\$ (314,927)	\$ -	\$ 536,075	\$ 221,148
Current year set-aside requirement	248,320	248,320	-	496,640
Qualifying expenditures	<u>(47,883)</u>	<u>(403,008)</u>	<u>-</u>	<u>(450,891)</u>
Total	<u>\$ (114,490)</u>	<u>\$ (154,688)</u>	<u>\$ 536,075</u>	<u>\$ 266,897</u>
Cash balance carried forward to FY2007	<u>\$ (114,490)</u>		<u>\$ 536,075</u>	<u>\$ 421,585</u>
Amount restricted for budget reserve				<u>536,075</u>
Total restricted assets				<u>\$ 536,075</u>

NOTE 18 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

As of June 30, 2006, one nonmajor capital projects fund and three special revenue funds had a deficit fund balance. This deficit was caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The following fund had a deficit at year-end:

	<u>Deficit</u>
<u>Nonmajor capital projects fund:</u>	
Permanent improvement fund	\$ 9,208
 <u>Nonmajor special revenue funds:</u>	
Food service fund	66,902
Title I fund	33,763
Drug-free school grant fund	8,819

B. Compliance

Section 5704.41 (B), Ohio Revised Code, states no subdivision shall make expenditure of money unless it has been appropriation. Section 5704.41 (D), Ohio Revised Code, states in part that... "Encumbrances should be charged against proper appropriations and actual disbursement plus outstanding encumbrances should not be greater than the total appropriations." The following funds has expenditures plus outstanding encumbrances in excess of appropriations

At the close of the fiscal year the School District's had expenditures and encumbrances in excess of appropriations in three special revenue funds and one capital projects fund. The food service, drug-free grant school and reducing class size special revenue funds were in the amount of \$1,130, \$4,174 and 3,077, respectively. The permanent improvement capital projects fund was in the amount of \$33,826.

*Combining Statements and
Individual Fund Schedules*

Combining Statements and Individual Fund Schedules

Combining Statements-Nonmajor Funds Nonmajor Special Revenue Funds

The Special Revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purpose. Following is a description of the School District's nonmajor special revenue funds:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Special Trust Fund - This fund accounts for monies from local donations for the purpose of scholarships for students.

Uniform School Supplies Fund - This fund accounts for the purchase and sale of school supplies for use in the School District.

Public School Support Fund - This fund accounts for school site sales revenue and expenditures for assemblies and other activity costs.

Martha Holden Jennings Grant Fund - This fund accounts for proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specific purposes.

Student Athletics Fund - This fund accounts for gate receipts and other revenues from athletic events and costs (except supplemental coaching contracts) of the athletic program, including transportation.

Post Secondary Education Grant Fund - This fund accounts for funds that provide post secondary education

Teacher Development Fund - This fund accounts for State monies in support of locally developed professional development programs.

Educational Management Information Systems Fund - This fund accounts for State monies which support the costs associated with the requirements of the management information system.

Entry Year Programs Fund - This fund accounts for stipends given to the mentor teachers.

Public School Preschool Fund - This fund accounts for State monies used to assist the School District paying the cost of preschool programs for three and four year olds.

Data Communications Fund - To account for revenues received from the state to be used to install and provide support costs for data communication links to connect any school to the local A-site.

School Net Technology Fund - This fund accounts for State monies to assist staff in gaining knowledge of technology.

Combining Statements-Nonmajor Funds (continued)
Nonmajor Special Revenue Fund (continued)

Long Distance Learning Fund – This fund accounts for monies received to provide necessary resources and materials for long distance learning courses.

Ohio Reads Grant Fund - This fund accounts for State monies to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program and for operating expenses associated with administering the program.

Summer Intervention Fund – A fund to permit school districts to establish summer school remediation programs that serve as an extension of the regular school year for those students requiring remedial work prior to the beginning of the next school year.

Vocational Education Fund - To account for monies used to provide students with alternatives to college through vocational education.

Miscellaneous State Grants Fund - This fund accounts for State monies which support academic and enrichment programs for the student body.

Migrant Program Fund - This fund accounts for monies used for migrant children education for new and existing at risk delinquent youths.

Title VI-B Fund - This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

OWA Grant Fund - This fund accounts for funds received from State agencies that are used for development of basic educational skills and increase the opportunities for useful employment.

Title I Fund - This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title VI Fund - This fund accounts for monies which assist State and local educational agencies in the reform of elementary and secondary education.

Drug Free Schools Grant Fund - This fund accounts for Federal revenues which support the implementation of programs for drug abuse education and prevention.

Miscellaneous Federal Grants Fund - This fund accounts for various monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

Reducing Class Size Fund – This fund accounts for Federal monies used to reduce class sizes in elementary schools.

Combining Statements-Nonmajor Funds (continued)
Nonmajor Debt Service Fund

Bond Retirement Fund - This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and fiscal charges.

Nonmajor Capital Projects Fund

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Permanent Improvement Fund - This fund accounts for property taxes levied to be used for various capital improvements within the School District.

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Eastwood Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 439,425	\$ 113,480	\$ 36,636	\$ 589,541
Inventory held for resale	12,916	-	-	12,916
Materials and supplies inventory	3,360	-	-	3,360
Receivables:				
Accounts	182	-	-	182
Intergovernmental	19,526	-	-	19,526
Taxes	-	300,673	266,988	567,661
Prepaid items	5,660	-	-	5,660
Total assets	\$ 481,069	\$ 414,153	\$ 303,624	\$ 1,198,846
<u>Liabilities and fund balance:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 18,765	\$ -	\$ 7,309	\$ 26,074
Accrued wages	30,154	-	-	30,154
Interfund payable	15,721	-	42,090	57,811
Intergovernmental payable	28,185	-	-	28,185
Deferred revenue	2,324	283,556	252,882	538,762
Advances from other funds	126,097	-	10,551	136,648
Total liabilities	221,246	283,556	312,832	817,634
<u>Fund balance:</u>				
Reserved for encumbrances	5,193	-	26,839	32,032
Reserved for property taxes	-	17,117	14,106	31,223
Unreserved:				
Undesignated, reported in:				
Special revenue funds	254,630	-	-	254,630
Debt service fund	-	113,480	-	113,480
Capital projects funds	-	-	(50,153)	(50,153)
Total fund balance	259,823	130,597	(9,208)	381,212
Total liabilities and fund balance	\$ 481,069	\$ 414,153	\$ 303,624	\$ 1,198,846

Eastwood Local 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 Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Taxes	\$ -	\$ 372,923	\$ 235,008	\$ 607,931
Intergovernmental	925,997	-	-	925,997
Interest	2,000	-	-	2,000
Tuition and fees	83,239	-	-	83,239
Extracurricular activities	359,918	-	500	360,418
Gifts and donations	374	-	-	374
Charges for services	490,560	-	-	490,560
Total revenues	<u>1,862,088</u>	<u>372,923</u>	<u>235,508</u>	<u>2,470,519</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	270,295	-	350	270,645
Special	497,131	-	-	497,131
Vocational	2,002	-	-	2,002
Support services:				
Pupils	22,080	-	-	22,080
Instructional staff	22,060	-	-	22,060
Administration	21,612	397	344	22,353
Fiscal	17,441	2,839	2,448	22,728
Operation and maintenance of plant	15,147	-	332,679	347,826
Pupil transportation	11,572	-	4,180	15,752
Operation of non-instructional services	668,149	-	-	668,149
Extracurricular activities	267,602	-	-	267,602
Debt service:				
Principal retirement	-	270,000	-	270,000
Interest and fiscal charges	-	178,270	-	178,270
Total expenditures	<u>1,815,091</u>	<u>451,506</u>	<u>340,001</u>	<u>2,606,598</u>
Excess of revenues over (under) expenditures	<u>46,997</u>	<u>(78,583)</u>	<u>(104,493)</u>	<u>(136,079)</u>
Net change in fund balances	46,997	(78,583)	(104,493)	(136,079)
Fund balances at beginning of year, Restated	<u>212,826</u>	<u>209,180</u>	<u>95,285</u>	<u>517,291</u>
Fund balances at end of year	<u>\$ 259,823</u>	<u>\$ 130,597</u>	<u>\$ (9,208)</u>	<u>\$ 381,212</u>

Eastwood Local School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2006

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>	<u>Martha Holden Jennings Grant</u>
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 871	\$ 2,992	\$ 10,865	\$ 41,820	\$ 94
Inventory held for resale	12,916	-	-	-	-
Materials and supplies inventory	3,360	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	14,125	-	-	-	-
Prepaid items	5,660	-	-	-	-
Total assets	<u>\$ 36,932</u>	<u>\$ 2,992</u>	<u>\$ 10,865</u>	<u>\$ 41,820</u>	<u>\$ 94</u>
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ 1,553	\$ 4,759	\$ -
Accrued wages	11,787	-	-	-	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	23,939	-	-	-	-
Deferred revenue	-	-	-	-	-
Advances from other funds	68,108	-	-	-	-
Total liabilities	<u>103,834</u>	<u>-</u>	<u>1,553</u>	<u>4,759</u>	<u>-</u>
<u>Fund balance:</u>					
Reserved for encumbrances	-	98	1,248	641	-
Special revenue funds	(66,902)	2,894	8,064	36,420	94
Total fund balance	<u>(66,902)</u>	<u>2,992</u>	<u>9,312</u>	<u>37,061</u>	<u>94</u>
Total liabilities and fund balance	<u>\$ 36,932</u>	<u>\$ 2,992</u>	<u>\$ 10,865</u>	<u>\$ 41,820</u>	<u>\$ 94</u>

Student Athletics	Post Secondary Education Grant	Teacher Development	Educational Management Information Systems	Entry Year Programs	Public School Preschool	Data Communications
\$ 65,994	\$ 4,631	\$ 492	\$ 44,974	\$ 800	\$ 64,224	\$ 3,830
-	-	-	-	-	-	-
-	-	-	-	-	-	-
182	-	-	-	-	-	-
-	296	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 66,176</u>	<u>\$ 4,927</u>	<u>\$ 492</u>	<u>\$ 44,974</u>	<u>\$ 800</u>	<u>\$ 64,224</u>	<u>\$ 3,830</u>
\$ 8,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
8,470	-	-	-	-	-	-
-	-	-	-	-	-	-
-	296	-	-	-	-	-
20,384	-	-	-	-	11,841	-
<u>37,643</u>	<u>296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,841</u>	<u>-</u>
1,175	-	-	-	-	1,155	-
27,358	4,631	492	44,974	800	51,228	3,830
28,533	4,631	492	44,974	800	52,383	3,830
<u>\$ 66,176</u>	<u>\$ 4,927</u>	<u>\$ 492</u>	<u>\$ 44,974</u>	<u>\$ 800</u>	<u>\$ 64,224</u>	<u>\$ 3,830</u>

(Continued)

Eastwood Local School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2005

	<u>School Net Technology</u>	<u>Long Distance Learning</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>Vocational Education</u>
Equity in pooled cash and cash equivalents	\$ 3,064	\$ -	\$ 4,000	\$ 41,543	\$ 779
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 3,064	\$ -	\$ 4,000	\$ 41,543	\$ 779
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Advances from other funds	-	-	-	-	357
Total liabilities	-	-	-	-	357
<u>Fund balance:</u>					
Reserved for encumbrances	-	-	-	-	-
Special revenue funds	3,064	-	4,000	41,543	422
Total fund balance	3,064	-	4,000	41,543	422
Total liabilities and fund balance	\$ 3,064	\$ -	\$ 4,000	\$ 41,543	\$ 779

Miscellaneous State Grants	Migrant Program	Title VI-B	OWA Grant	Title I	Title VI	Drug-Free Schools Grant
\$ 4,238	\$ 1,693	\$ 125,932	\$ 965	\$ 9,667	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,028	-	-
-	-	-	-	-	-	-
<u>\$ 4,238</u>	<u>\$ 1,693</u>	<u>\$ 125,932</u>	<u>\$ 965</u>	<u>\$ 11,695</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 700	\$ 1,476	\$ 600	\$ -	\$ 888	\$ -	\$ -
-	-	-	-	18,367	-	-
-	-	-	-	-	-	4,174
-	-	-	-	4,246	-	-
-	-	-	-	2,028	-	-
-	-	833	-	19,929	-	4,645
<u>700</u>	<u>1,476</u>	<u>1,433</u>	<u>-</u>	<u>45,458</u>	<u>-</u>	<u>8,819</u>
200	217	-	-	459	-	-
<u>3,338</u>	<u>-</u>	<u>124,499</u>	<u>965</u>	<u>(34,222)</u>	<u>-</u>	<u>(8,819)</u>
<u>3,538</u>	<u>217</u>	<u>124,499</u>	<u>965</u>	<u>(33,763)</u>	<u>-</u>	<u>(8,819)</u>
<u>\$ 4,238</u>	<u>\$ 1,693</u>	<u>\$ 125,932</u>	<u>\$ 965</u>	<u>\$ 11,695</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Eastwood Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	Miscellaneous Federal Grants	Reducing Class Size	Total Nonmajor Special Revenue Funds
Equity in pooled cash and cash equivalents	\$ 5,957	\$ -	\$ 439,425
Inventory held for resale	-	-	12,916
Materials and supplies inventory	-	-	3,360
Receivables:			
Accounts	-	-	182
Intergovernmental	-	3,077	19,526
Prepaid items	-	-	5,660
Total assets	\$ 5,957	\$ 3,077	\$ 481,069
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ -	\$ 18,765
Accrued wages	-	-	30,154
Interfund payable	-	3,077	15,721
Intergovernmental payable	-	-	28,185
Deferred revenue	-	-	2,324
Advances from other funds	-	-	126,097
Total liabilities	-	3,077	221,246
<u>Fund balance:</u>			
Reserved for encumbrances	-	-	5,193
Special revenue funds	5,957	-	254,630
Total fund balance	5,957	-	259,823
Total liabilities and fund balance	\$ 5,957	\$ 3,077	\$ 481,069

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Eastwood Local 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 Service	Special Trust	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant
<u>Revenues:</u>					
Intergovernmental	\$ 166,205	\$ -	\$ -	\$ -	\$ -
Interest	2,000	-	-	-	-
Tuition and fees	-	-	79,819	-	-
Extracurricular activities	-	9,055	-	68,959	-
Gifts and donations	-	121	-	-	-
Charges for services	490,560	-	-	-	-
Total revenues	<u>658,765</u>	<u>9,176</u>	<u>79,819</u>	<u>68,959</u>	<u>-</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	-	83,924	59,888	-
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Support services:					
Pupils	-	-	-	-	-
Instructional staff	-	10,149	-	-	-
Administration	-	-	-	-	-
Fiscal	-	-	-	-	-
Operation and maintenance of plant	3,083	-	-	-	-
Pupil transportation	-	-	-	-	-
Operation of non-instructional services	661,850	-	-	-	-
Extracurricular activities	-	-	-	51	-
Total expenditures	<u>664,933</u>	<u>10,149</u>	<u>83,924</u>	<u>59,939</u>	<u>-</u>
Net change in fund balances	(6,168)	(973)	(4,105)	9,020	-
Fund balances (deficit)					
at beginning of year, Restated	<u>(60,734)</u>	<u>3,965</u>	<u>13,417</u>	<u>28,041</u>	<u>94</u>
Fund balances (deficit) at end of year	<u>\$ (66,902)</u>	<u>\$ 2,992</u>	<u>\$ 9,312</u>	<u>\$ 37,061</u>	<u>\$ 94</u>

<u>Student Athletics</u>	<u>Post Secondary Education Grant</u>	<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>Entry Year Programs</u>	<u>Public School Preschool</u>	<u>Data Communications</u>
\$ -	\$ -	\$ -	\$ 6,076	\$ 1,050	\$ 131,579	\$ 18,000
-	-	-	-	-	-	-
182	-	-	-	-	-	-
278,588	-	-	-	-	-	-
143	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>278,913</u>	<u>-</u>	<u>-</u>	<u>6,076</u>	<u>1,050</u>	<u>131,579</u>	<u>18,000</u>
-	-	-	-	250	47,332	14,170
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	10,625	-
-	-	-	-	-	1,011	-
-	-	-	-	-	16,238	-
-	-	-	-	-	17,441	-
-	-	-	-	-	12,064	-
-	-	-	-	-	11,572	-
-	-	-	-	-	-	-
267,551	-	-	-	-	-	-
<u>267,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>116,283</u>	<u>14,170</u>
11,362	-	-	6,076	800	15,296	3,830
17,171	4,631	492	38,898	-	37,087	-
<u>\$ 28,533</u>	<u>\$ 4,631</u>	<u>\$ 492</u>	<u>\$ 44,974</u>	<u>\$ 800</u>	<u>\$ 52,383</u>	<u>\$ 3,830</u>

(Continued)

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

	<u>School Net Technology</u>	<u>Long Distance Learning</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>Vocational Education</u>
<u>Revenues:</u>					
Intergovernmental	\$ 3,200	\$ -	\$ 8,500	\$ -	\$ 2,000
Interest	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Charges for services	-	-	-	-	-
Total revenues	<u>3,200</u>	<u>-</u>	<u>8,500</u>	<u>-</u>	<u>2,000</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	1,001	3,519	8,824	-	-
Special	-	-	-	-	-
Vocational	-	-	-	-	2,002
Support services:					
Pupils	-	-	-	-	-
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	-
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>1,001</u>	<u>3,519</u>	<u>8,824</u>	<u>-</u>	<u>2,002</u>
Net change in fund balance	2,199	(3,519)	(324)	-	(2)
Fund balances (deficit)					
at beginning of year, Restated	<u>865</u>	<u>3,519</u>	<u>4,324</u>	<u>41,543</u>	<u>424</u>
Fund balances (deficit) at end of year	<u>\$ 3,064</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 41,543</u>	<u>\$ 422</u>

Miscellaneous State Grants	Migrant Program	Title VI-B	OWA Grant	Title I	Title VI	Drug-Free Schools Grant
\$ -	\$ 15,000	\$ 370,771	\$ -	\$ 135,804	\$ 5,016	\$ 7,647
-	-	-	-	-	-	-
3,238	-	-	-	-	-	-
3,316	-	-	-	-	-	-
110	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,664</u>	<u>15,000</u>	<u>370,771</u>	<u>-</u>	<u>135,804</u>	<u>5,016</u>	<u>7,647</u>
1,591	-	-	-	-	-	-
-	14,662	326,127	-	156,342	-	-
-	-	-	-	-	-	-
-	-	-	-	-	5,016	6,439
-	-	3,847	-	-	-	-
-	-	-	-	-	-	5,374
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,299	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,890</u>	<u>14,662</u>	<u>329,974</u>	<u>-</u>	<u>156,342</u>	<u>5,016</u>	<u>11,813</u>
(1,226)	338	40,797	-	(20,538)	-	(4,166)
4,764	(121)	83,702	965	(13,225)	-	(4,653)
<u>\$ 3,538</u>	<u>\$ 217</u>	<u>\$ 124,499</u>	<u>\$ 965</u>	<u>\$ (33,763)</u>	<u>\$ -</u>	<u>\$ (8,819)</u>

(Continued)

Eastwood Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	<u>Miscellaneous Federal Grants</u>	<u>Reducing Class Size</u>	<u>Total Nonmajor Special Revenue Funds</u>
<u>Revenues:</u>			
Intergovernmental	\$ 2,043	\$ 53,106	\$ 925,997
Interest	-	-	2,000
Tuition and fees	-	-	83,239
Extracurricular activities	-	-	359,918
Gifts and donations	-	-	374
Charges for services	-	-	490,560
Total revenues	<u>2,043</u>	<u>53,106</u>	<u>1,862,088</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	2,213	47,583	270,295
Special	-	-	497,131
Vocational	-	-	2,002
Support services:			
Pupils	-	-	22,080
Instructional staff	-	7,053	22,060
Administration	-	-	21,612
Fiscal	-	-	17,441
Operation and maintenance of plant	-	-	15,147
Pupil transportation	-	-	11,572
Operation of non-instructional services:	-	-	668,149
Extracurricular activities	-	-	267,602
Total expenditures	<u>2,213</u>	<u>54,636</u>	<u>1,815,091</u>
Net change in fund balance	(170)	(1,530)	46,997
Fund balances (deficit)			
at beginning of year, Restated	<u>6,127</u>	<u>1,530</u>	<u>212,826</u>
Fund balances (deficit) at end of year	<u>\$ 5,957</u>	<u>\$ -</u>	<u>\$ 259,823</u>

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

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 120,013	\$ 120,413	\$ 400
Interest	2,000	2,000	-
Charges for services	488,959	490,560	1,601
Total revenues	610,972	612,973	2,001
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant	3,083	3,083	-
Operation of non-instructional services	607,889	609,019	(1,130)
Total expenditures	610,972	612,102	(1,130)
Net change in fund balance	-	871	871
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 871	\$ 871

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Special Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	9,055	9,055	-
Gifts and donations	121	121	-
Total revenues	<u>\$ 9,176</u>	<u>\$ 9,176</u>	<u>\$ -</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	13,141	10,247	2,894
Net change in fund balance	<u>(3,965)</u>	<u>(1,071)</u>	<u>2,894</u>
Fund balance at beginning of year	3,869	3,869	-
Prior year encumbrances appropriated	96	96	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,894</u>	<u>\$ 2,894</u>

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	<u>\$ 77,155</u>	<u>\$ 79,819</u>	<u>\$ 2,664</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	90,570	85,170	5,400
Net change in fund balance	<u>(13,415)</u>	<u>(5,351)</u>	<u>8,064</u>
Fund balance at beginning of year	13,323	13,323	-
Prior year encumbrances appropriated	92	92	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,064</u>	<u>\$ 8,064</u>

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 68,460	\$ 68,959	\$ 499
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	96,450	60,529	35,921
Extracurricular activities	51	51	-
Total expenditures	96,501	60,580	35,921
Net change in fund balance	(28,041)	8,379	36,420
Fund balance at beginning of year	26,666	26,666	-
Prior year encumbrances appropriated	1,375	1,375	-
Fund balance at end of year	\$ -	\$ 36,420	\$ 36,420

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Martha Holden Jennings Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	94	-	94
Net change in fund balance	(94)	-	94
Fund balance at beginning of year	94	94	-
Fund balance at end of year	\$ -	\$ 94	\$ 94

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Student Athletics Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 265,632	\$ 278,588	\$ 12,956
Gifts and donations	143	143	-
Total revenues	<u>265,775</u>	<u>278,731</u>	<u>12,956</u>
<u>Expenditures:</u>			
Current:			
Extracurricular activities	313,118	269,980	43,138
Excess of revenues over (under) expenditures	<u>(47,343)</u>	<u>8,751</u>	<u>56,094</u>
<u>Other financing sources (uses):</u>			
Proceeds from sale of capital assets	420	420	-
Net change in fund balance	(46,923)	9,171	56,094
Fund balance at beginning of year	44,364	44,364	-
Prior year encumbrances appropriated	2,562	2,562	-
Fund balance at end of year	<u>\$ 3</u>	<u>\$ 56,097</u>	<u>\$ 56,094</u>

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Post Secondary Education Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	4,630	-	4,630
Net change in fund balance	(4,630)	-	4,630
Fund balance at beginning of year	4,631	4,631	-
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 4,631</u>	<u>\$ 4,630</u>

Teacher Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	492	-	492
Net change in fund balance	(492)	-	492
Fund balance at beginning of year	492	492	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 492</u>	<u>\$ 492</u>

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Educational Management Information Systems Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 6,078	\$ 6,078	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Central	44,974	-	44,974
Net change in fund balance	(38,896)	6,078	44,974
Fund balance at beginning of year	38,897	38,897	-
Fund balance at end of year	\$ 1	\$ 44,975	\$ 44,974

Entry Year Programs Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,050	\$ 1,050	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,050	250	800
Net change in fund balance	-	800	800
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 800	\$ 800

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Public School Preschool Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 131,579	\$ 131,579	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	72,752	47,333	25,419
Support services:			
Pupils	16,331	10,625	5,706
Instructional staff	1,554	1,011	543
Administration	26,733	17,393	9,340
Fiscal	26,807	17,441	9,366
Operation and maintenance of plant	18,543	12,064	6,479
Pupil transportation	17,787	11,572	6,215
Total expenditures	180,507	117,439	63,068
Excess of revenues over (under) expenditures	(48,928)	14,140	63,068
<u>Other financing sources (uses):</u>			
Advances out	(8,220)	(8,220)	-
Net change in fund balance	(57,148)	5,920	63,068
Fund balance at beginning of year	57,149	57,149	-
Fund balance at end of year	\$ 1	\$ 63,069	\$ 63,068

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Data Communications Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 18,000	\$ 18,000	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	18,000	14,170	3,830
Net change in fund balance	-	3,830	3,830
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 3,830	\$ 3,830

School Net Technology Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 3,200	\$ 3,200	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	4,064	1,000	3,064
Net change in fund balance	(864)	2,200	3,064
Fund balance at beginning of year	864	864	-
Fund balance at end of year	\$ -	\$ 3,064	\$ 3,064

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Long Distance Learning Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,519	3,519	-
Net change in fund balance	(3,519)	(3,519)	-
Fund balance at beginning of year	3,519	3,519	-
Fund balance at end of year	\$ -	\$ -	\$ -

Ohio Reads Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 8,500	\$ 8,500	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	12,824	8,824	4,000
Excess of revenues over (under) expenditures	(4,324)	(324)	4,000
<u>Other financing sources (uses):</u>			
Advances out	(2)	(2)	-
Net change in fund balance	(4,326)	(326)	4,000
Fund balance at beginning of year	4,326	4,326	-
Fund balance at end of year	\$ -	\$ 4,000	\$ 4,000

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Summer Intervention Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	41,543	-	41,543
Net change in fund balance	(41,543)	-	41,543
Fund balance at beginning of year	41,543	41,543	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 41,543</u>	<u>\$ 41,543</u>

Vocational Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,000	\$ 2,000	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	2,779	2,002	777
Net change in fund balance	(779)	(2)	777
Fund balance at beginning of year	781	781	-
Fund balance at end of year	<u>\$ 2</u>	<u>\$ 779</u>	<u>\$ 777</u>

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 2,909	\$ 3,238	\$ 329
Extracurricular activities	2,980	3,316	336
Gifts and donations	99	110	11
Total revenues	<u>5,988</u>	<u>6,664</u>	<u>676</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,592	1,591	1
Operation of non-instructional services	8,902	6,499	2,403
Total expenditures	<u>10,494</u>	<u>8,090</u>	<u>2,404</u>
Net change in fund balance	(4,506)	(1,426)	3,080
Fund balance at beginning of year, Restated	4,606	4,606	-
Prior year encumbrances appropriated	158	158	-
Fund balance at end of year	<u>\$ 258</u>	<u>\$ 3,338</u>	<u>\$ 3,080</u>

Migrant Program Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 15,000	\$ 15,000	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	18,460	18,460	-
Net change in fund balance	(3,460)	(3,460)	-
Fund balance at beginning of year	3,460	3,460	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Title VI-B Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 351,181	\$ 370,771	\$ 19,590
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	371,971	370,771	1,200
Support services:			
Instructional staff	3,247	3,247	-
Total expenditures	375,218	374,018	1,200
Net change in fund balance	(24,037)	(3,247)	20,790
Fund balance at beginning of year, Restated	129,178	129,178	-
Fund balance at end of year	\$ 105,141	\$ 125,931	\$ 20,790

OWA Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	965	-	965
Net change in fund balance	(965)	-	965
Fund balance at beginning of year	965	965	-
Fund balance at end of year	\$ -	\$ 965	\$ 965

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 167,801	\$ 167,801	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	147,988	139,668	8,320
Excess of revenues over (under) expenditures	19,813	28,133	8,320
<u>Other financing sources (uses):</u>			
Advances out	(20,321)	(20,321)	-
Net change in fund balance	(508)	7,812	8,320
Fund balance at beginning of year	508	508	-
Fund balance at end of year	\$ -	\$ 8,320	\$ 8,320

Title VI Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 5,016	\$ 5,016	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	5,016	5,016	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Drug-Free Schools Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 7,647	\$ 7,647	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	4,170	6,447	(2,277)
Administration	3,477	5,374	(1,897)
Total expenditures	7,647	11,821	(4,174)
Excess of revenues over (under) expenditures	-	(4,174)	(4,174)
<u>Other financing sources (uses):</u>			
Advances in	4,174	4,174	-
Net change in fund balance	4,174	-	(4,174)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 4,174	\$ -	\$ (4,174)

Miscellaneous Federal Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,042	\$ 2,043	\$ 1
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	2,578	2,213	365
Net change in fund balance	(536)	(170)	366
Fund balance at beginning of year	5,963	5,963	-
Fund balance at end of year	\$ 5,592	\$ 5,958	\$ 366

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Reducing Class Size Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 55,090	\$ 55,090	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	45,040	47,592	(2,552)
Support services:			
Instructional staff	9,259	9,784	(525)
Total expenditures	54,299	57,376	(3,077)
Excess of revenues over (under) expenditures	791	(2,286)	(3,077)
<u>Other financing sources (uses):</u>			
Advances in	3,077	3,077	-
Advances out	(5,009)	(5,009)	-
Total other financing sources (uses)	(1,932)	(1,932)	-
Net change in fund balance	(1,141)	(4,218)	(3,077)
Fund balance at beginning of year	2,840	2,840	-
	1,378	1,378	-
Fund balance at end of year	\$ 3,077	\$ -	\$ (3,077)

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 370,812	\$ 370,812	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Administration	397	397	-
Fiscal	2,839	2,839	-
Debt service:			
Principal retirement	270,000	270,000	-
Interest and fiscal charges	291,750	178,270	113,480
Total expenditures	564,986	451,506	113,480
Net change in fund balance	(194,174)	(80,694)	113,480
Fund balance at beginning of year	194,174	194,174	-
Fund balance at end of year	\$ -	\$ 113,480	\$ 113,480

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006*

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 240,630	\$ 240,630	\$ -
Extracurricular activities	500	500	-
Total revenues	<u>241,130</u>	<u>241,130</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	527	527	-
Support services:			
Administration	344	344	-
Fiscal	2,448	2,448	-
Operation and maintenance of plant	327,718	361,543	(33,825)
Pupil transportation	4,179	4,180	(1)
Capital outlay	180	180	-
Total expenditures	<u>335,396</u>	<u>369,222</u>	<u>(33,826)</u>
Excess of revenues over (under) expenditures	<u>(94,266)</u>	<u>(128,092)</u>	<u>(33,826)</u>
<u>Other financing sources (uses):</u>			
Advances in	<u>36,314</u>	<u>36,314</u>	<u>-</u>
Net change in fund balance	(57,952)	(91,778)	(33,826)
Fund balance at beginning of year	43,870	43,870	-
Prior year encumbrances appropriated	50,396	50,396	-
Fund balance at end of year	<u>\$ 36,314</u>	<u>\$ 2,488</u>	<u>\$ (33,826)</u>

*Individual Fund Schedules of Revenues, Expenses and Changes in
Fund Equity – Budget (Non-GAAP Basis) and Actual
Proprietary Funds -Nonmajor*

Eastwood Local School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2006

Field Trips and Rotary Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Other revenues	\$ 23,841	\$ 23,841	\$ -
Operating Expenses:			
Other	37,583	26,412	11,171
Total operating expenses	37,583	26,412	11,171
Net change in fund equity	(13,742)	(2,571)	11,171
Fund equity at beginning of year	13,743	13,743	-
Fund equity at end of year	\$ 1	\$ 11,172	\$ 11,171

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Combining Statement

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The following are the School District's fiduciary fund types:

Agency Funds

SERRC Center Fund - This fund accounts for assets of the special education center.

Student Activities Fund - This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Eastwood Local School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2006

	Restated Beginning Balance July 1, 2005	Additions	Deductions	Ending Balance June 30, 2006
SERRC Center				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 107,605	\$ 1,941,597	\$ 1,931,457	\$ 117,745
Intergovernmental receivable	387,939	250,380	387,939	250,380
Prepaid items	-	11,518	-	11,518
Total assets	<u>\$ 495,544</u>	<u>\$ 2,203,495</u>	<u>\$ 2,319,396</u>	<u>\$ 379,643</u>
<u>Liabilities:</u>				
Accounts payable	\$ 41,127	\$ 37,978	\$ 41,127	\$ 37,978
Accrued wages	52,436	207,452	52,436	207,452
Due to general fund	11,228	120,367	11,228	120,367
Intergovernmental payable	390,753	388,480	775,527	3,706
Undistributed monies	-	1,449,218	1,439,078	10,140
Total liabilities	<u>\$ 495,544</u>	<u>\$ 2,203,495</u>	<u>\$ 2,319,396</u>	<u>\$ 379,643</u>
Student Managed Activity				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	<u>\$ 44,818</u>	<u>\$ 159,341</u>	<u>\$ 159,250</u>	<u>\$ 44,909</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 5,182	\$ -	\$ 5,182
Due to students	44,818	154,159	159,250	39,727
Total liabilities	<u>\$ 44,818</u>	<u>\$ 159,341</u>	<u>\$ 159,250</u>	<u>\$ 44,909</u>
Total All Agency Funds				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 152,423	\$ 2,100,938	\$ 2,090,707	\$ 162,654
Intergovernmental receivable	387,939	250,380	387,939	250,380
Prepaid items	-	11,518	-	11,518
Total assets	<u>\$ 540,362</u>	<u>\$ 2,362,836</u>	<u>\$ 2,478,646</u>	<u>\$ 424,552</u>
<u>Liabilities:</u>				
Accounts payable	\$ 41,127	\$ 43,160	\$ 41,127	\$ 43,160
Accrued wages	52,436	207,452	52,436	207,452
Due to general fund	11,228	120,367	11,228	120,367
Interfund payable	-	-	-	-
Intergovernmental payable	390,753	388,480	775,527	3,706
Undistributed monies	-	1,449,218	1,439,078	10,140
Due to students	44,818	154,159	159,250	39,727
Total liabilities	<u>\$ 540,362</u>	<u>\$ 2,362,836</u>	<u>\$ 2,478,646</u>	<u>\$ 424,552</u>

STATISTICAL SECTION

Statistical Section

This part of the School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	S 2 - S 8
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	S 9 - S 14
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S 15 - S 18
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S 19 - S 20
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S 21 - S 29

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

Eastwood Local School District

Net Assets by Component (1)

Last Four Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Invested in capital assets, net of related debt	\$ (3,446,983)	\$ (3,524,498)	\$ 1,109,071	\$ 1,170,898
Restricted for:				
Budget stabilization	-	-	536,075	536,075
Capital projects	79,789	164,248	103,048	-
Debt service	130,173	171,888	281,108	123,101
Other purposes	139,060	349,925	214,187	238,830
Unrestricted (deficit)	<u>1,687,830</u>	<u>1,665,194</u>	<u>904,080</u>	<u>458,742</u>
Total net assets	<u><u>\$ (1,410,131)</u></u>	<u><u>\$ (1,173,243)</u></u>	<u><u>\$ 3,147,569</u></u>	<u><u>\$ 2,527,646</u></u>

Source: School District financial records

(1) Accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

Eastwood Local School District

Changes in Net Assets of Governmental Activities (1) Last Four Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses				
Instruction:				
Regular	\$ 6,257,688	\$ 6,537,624	\$ 6,995,831	\$ 7,333,012
Special	1,630,671	1,534,892	1,207,926	1,716,104
Vocational	137,467	168,500	177,313	159,214
Adult/continuing	-	27	55	53
Other	166,331	66,319	100,262	-
Support services:				
Pupil	522,895	514,181	501,140	552,413
Instructional staff	320,911	592,150	397,482	364,213
Board of education	38,277	40,148	49,213	19,010
Administration	1,253,963	1,171,218	1,064,825	1,425,964
Fiscal	347,820	400,261	373,289	405,780
Business	2,903	27	55	-
Operation and maintenance of plant	1,460,816	1,348,711	1,574,575	1,663,118
Pupil transportation	1,032,751	1,090,701	1,247,542	1,197,982
Central	1,890	679	1,386	1,357
Operation of non-instructional services	649,509	706,252	682,578	663,126
Extracurricular activities	512,277	437,178	442,206	473,818
Interest and fiscal charges	218,016	190,921	310,602	219,778
<i>Total expenses</i>	<u>14,554,185</u>	<u>14,799,789</u>	<u>15,126,280</u>	<u>16,194,942</u>

Program Revenues

Charges for services

Instruction:				
Regular	297,335	332,049	328,680	593,483
Special	-	207,531	-	-
Support services:				
Instructional staff	-	55,342	-	9,055
Administration	-	62,259	-	-
Fiscal	37,029	-	-	-
Operation and maintenance of plant	45,445	-	-	53,508
Operation of non-instructional services	454,949	470,381	437,786	496,439
Extracurricular activities	\$ 303,542	\$ 34,588	\$ 403,858	\$ 279,271

(Continued)

Eastwood Local School District

Changes in Net Assets of Governmental Activities (1) (Continued)

Last Four Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Operating grants, contributions and interest				
Instruction:				
Regular	\$ 152,812	\$ 172,076	\$ 252,759	\$ 55,972
Special	-	43,019	178,680	517,734
Vocational	-	-	-	32,997
Support services:				
Pupils	-	-	32,408	29,460
Instructional staff	-	301,132	-	2,050
Administration	-	-	-	41,321
Fiscal	-	-	-	33,282
Operation and maintenance of plant	-	-	-	23,022
Pupil transportation	-	-	-	22,083
Central	-	-	-	6,076
Operation of non-instructional services	159,781	294,791	200,555	168,314
Extracurricular activities	-	258,114	-	143
Capital grants and contributions				
Support services:				
Pupil transportation	-	42,075	-	12,264
<i>Total program revenues</i>	<u>1,450,893</u>	<u>2,273,357</u>	<u>1,834,726</u>	<u>2,376,474</u>
Net expense	<u>(13,103,292)</u>	<u>(12,526,432)</u>	<u>(13,291,554)</u>	<u>(13,818,468)</u>
General revenues				
Property taxes levied for:				
General purposes	4,148,742	4,683,707	4,064,403	4,621,427
Debt services	460,180	481,687	492,905	375,945
Capital outlay	235,623	251,409	240,379	237,321
Grants and entitlements not				
restricted to specific programs	7,839,891	7,621,321	7,359,330	7,207,424
Investment earnings	229,635	117,709	127,029	166,309
Payment in lieu of Taxes	-	-	500,000	500,000
Gain on Sale of Capital Assets	-	-	1,900	-
Miscellaneous	133,400	104,469	156,253	90,119
<i>Total general revenues</i>	<u>13,047,471</u>	<u>13,260,302</u>	<u>12,942,199</u>	<u>13,198,545</u>
<i>Change in net assets</i>	<u>\$ (55,821)</u>	<u>\$ 733,870</u>	<u>\$ (349,355)</u>	<u>\$ (619,923)</u>

Source: School District financial records

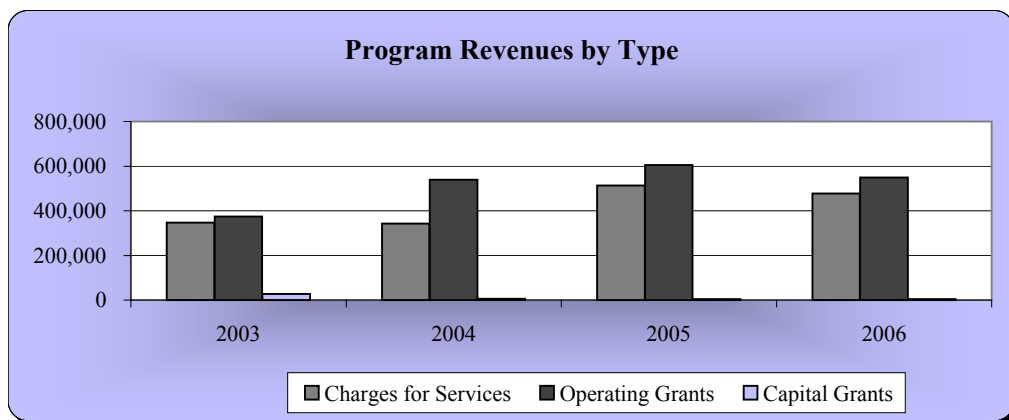
(1) Accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

Eastwood Local School District

Program Revenues of Governmental Activities by Function (1)

Last Four Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
Instruction:				
Regular	\$ 450,147	\$ 519,236	\$ 581,439	\$ 649,455
Special	-	250,550	178,680	517,734
Vocational	-	-	-	32,997
Support services:				
Pupil	-	356,474	32,408	29,460
Instructional staff	-	-	-	11,105
Administration	-	62,259	-	41,321
Fiscal	37,029	-	-	33,282
Operation and maintenance of plant	45,445	26,964	-	76,530
Pupil transportation	-	-	-	34,347
Central	-	-	-	6,076
Operation of non-instructional services:	-	765,172	638,341	664,753
Extracurricular activities	303,542	292,702	403,858	279,414
Total program revenues	<u>\$ 836,163</u>	<u>\$ 2,273,357</u>	<u>\$ 1,834,726</u>	<u>\$ 2,376,474</u>



Source: School District financial records

(1) Accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

Eastwood Local School District

Changes in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

	1997	1998	1999	2000	2001
Revenues					
Property taxes	\$ 3,917,184	\$ 3,749,886	\$ 3,879,673	\$ 3,617,068	\$ 3,801,261
Payment in lieu of taxes					
Intergovernmental	1,428,652	1,377,358	1,597,965	1,772,208	1,700,615
Interest	111,302	110,745	106,860	140,627	146,475
Tuition and Fees	24,955	29,878	45,874	64,458	14,544
Extracurricular activities	-	-	-	-	-
Food Service	2,508	32,888	6,674	655	1,125
Rentals	-	-	-	-	-
Charges for services	-	-	2,689	1,495	27,050
Gifts and donations	-	-	-	-	-
Miscellaneous	35,387	5,218	22,474	25,733	18,594
<i>Total revenues</i>	<u>5,519,988</u>	<u>5,305,973</u>	<u>5,662,209</u>	<u>5,622,244</u>	<u>5,709,664</u>
Expenditures					
Current:					
Instruction:					
Regular	2,605,541	2,328,924	2,497,458	2,618,078	2,978,525
Special	313,137	277,836	329,803	401,305	443,584
Vocational	34,459	41,854	31,399	45,822	48,527
Other	-	-	-	-	-
Support services:					
Pupils	205,707	199,614	203,657	238,786	189,917
Instructional staff	125,112	157,622	164,614	173,014	141,977
Board of education	137,832	32,694	45,667	59,408	62,200
Administration	514,335	465,108	491,427	511,464	488,706
Fiscal	141,667	154,728	166,952	149,703	215,803
Business	-	-	-	-	2,131
Operation and maintenance of plant	626,203	626,400	588,920	589,718	705,558
Pupil transportation	516,190	559,421	382,934	497,518	407,046
Central					44,357
Operation of non-instructional services:					
Extracurricular activities	194,887	209,696	194,792	164,695	191,482
Capital outlay	234,083	-	-	-	-
Debt Service:					
Principal Retirement	2,265	2,078	-	16,862	-
Interest and fiscal charges	-	-	-	-	-
<i>Total expenditures</i>	<u>5,651,418</u>	<u>5,055,975</u>	<u>5,097,623</u>	<u>5,466,373</u>	<u>5,919,813</u>
Excess of revenues over (under) expenditures	<u>(131,430)</u>	<u>249,998</u>	<u>564,586</u>	<u>155,871</u>	<u>(210,149)</u>
Other financing sources (uses)					
Refund of prior year Expenditures	n/a	n/a	-	-	-
Proceeds from sale of long-term notes	n/a	n/a	-	620,759	-
Proceeds from sale of fixed assets	n/a	n/a	-	-	-
Transfers In	n/a	n/a	23,705	-	25,430
Transfers Out	n/a	n/a	(23,705)	-	(25,430)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,759</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ (131,430)</u>	<u>\$ 249,998</u>	<u>\$ 564,586</u>	<u>\$ 776,630</u>	<u>\$ (210,149)</u>
Debt service as a percentage of noncapital expenditures					
	0.0418%	0.0411%	0.0000%	0.3085%	0.0000%

Source: School District financial records
(1) Modified accrual basis of accounting.

	2002	2003	2004	2005	2006
\$	3,743,158	\$ 4,816,545	\$ 5,397,717	\$ 4,807,099	\$ 5,167,831
		-	-	500,000	500,000
	1,749,469	8,075,177	8,460,039	7,932,902	8,247,986
	55,335	229,635	117,709	127,029	168,309
	11,909	229,747	206,665	249,977	504,117
	-	341,574	406,999	403,858	360,418
	525	-	-	437,786	-
	-	-	-	-	53,508
	28,145	1,493	78,105	78,703	513,712
	-	-	-	-	374
	24,062	96,173	104,469	156,253	90,119
	<u>5,612,603</u>	<u>13,790,344</u>	<u>14,771,703</u>	<u>14,693,607</u>	<u>15,606,374</u>

	3,133,756	6,260,367	6,523,225	6,756,237	7,144,160
	503,086	1,629,253	1,480,498	1,248,357	1,715,459
	55,356	137,467	165,113	145,490	157,079
	-	166,286	66,959	101,619	-
	276,628	512,525	477,376	518,485	549,860
	156,446	299,973	570,814	381,418	328,722
	121,230	38,277	40,104	49,213	19,010
	523,455	1,223,327	1,149,151	1,106,676	1,406,829
	252,097	361,426	390,316	412,897	405,727
	1,435	2,868	-	-	-
	676,810	1,501,170	1,339,064	2,031,800	1,655,120
	570,849	971,042	1,053,228	1,177,531	1,164,096
	77,817	1,005	-	-	-
		7,633	7,232	680,698	668,149
	203,988	489,157	415,785	436,865	468,582
	-	346,563	5,757	2,694	-
	-	235,000	495,000	255,000	270,000
	-	219,672	207,571	188,905	178,270
	<u>6,552,953</u>	<u>14,403,011</u>	<u>14,387,193</u>	<u>15,493,885</u>	<u>16,131,063</u>
	<u>(940,350)</u>	<u>(612,667)</u>	<u>384,510</u>	<u>(800,278)</u>	<u>(524,689)</u>

	-	39,998	-	-	-
	-	250,000	-	-	-
	-	-	-	1,900	-
	45,330	-	250,000	27,152	-
	<u>(45,330)</u>	<u>-</u>	<u>(250,000)</u>	<u>(27,152)</u>	<u>-</u>
	-	289,998	-	1,900	-
\$	<u>(940,350)</u>	<u>\$ (322,669)</u>	<u>\$ 384,510</u>	<u>\$ (798,378)</u>	<u>\$ (524,689)</u>

0.0000%	3.2346%	4.8853%	2.8655%	2.7789%
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Eastwood Local School District

Fund Balances, Governmental Funds (1)

Last Four Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund				
Reserved	\$ 1,049,436	\$ 1,178,814	\$ 1,469,309	\$ 1,095,905
Unreserved	<u>1,637,582</u>	<u>1,596,048</u>	<u>328,821</u>	<u>313,615</u>
<i>Total general fund</i>	<u>2,687,018</u>	<u>2,774,862</u>	<u>1,798,130</u>	<u>1,409,520</u>
All other governmental funds				
Reserved	196,616	267,266	315,829	63,255
Unreserved, undesignated, Reported in:				
Special revenue funds	107,707	266,066	115,857	254,630
Debt service funds	-	-	5,082	113,480
Capital projects funds	<u>23,451</u>	<u>91,108</u>	<u>16,606</u>	<u>(50,153)</u>
Total all other governmental funds	<u>327,774</u>	<u>624,440</u>	<u>453,374</u>	<u>381,212</u>
<i>Total governmental funds</i>	<u>\$ 3,014,792</u>	<u>\$ 3,399,302</u>	<u>\$ 2,251,504</u>	<u>\$ 1,790,732</u>

Source: School District financial records

(1) Modified accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

Eastwood Local School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Collection Years

Collection Year	Real Property		Tangible Personal Property				Grand Totals		
	Assessed Value	Estimated	Public Utility		General Business		Assessed Value	Estimated	Ratio
	Residential/ Agricultural	Actual Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Actual Value		
1997	\$ 92,863,010	\$ 265,322,886	\$ 24,349,940	\$ 27,670,386	\$ 9,942,156	\$ 39,768,624	\$ 127,155,106	\$ 332,761,896	38.21%
1998	96,010,170	274,314,771	23,794,790	27,039,534	10,600,414	42,401,656	130,405,374	343,755,962	37.94%
1999	99,537,330	284,392,371	23,032,280	26,173,045	11,882,492	47,529,968	134,452,102	358,095,385	37.55%
2000	130,331,630	372,376,086	24,032,280	27,309,409	14,449,032	57,796,128	168,812,942	457,481,623	36.90%
2001	133,259,490	380,741,400	22,774,190	25,879,761	15,609,853	62,439,412	171,643,533	469,060,573	36.59%
2002	135,882,700	388,236,286	17,938,570	20,384,739	15,834,930	63,339,720	169,656,200	471,960,744	35.95%
2003	147,827,940	422,365,543	16,433,210	18,674,102	15,088,435	60,353,740	179,349,585	501,393,385	35.77%
2004	151,386,550	432,533,000	16,553,740	19,036,915	13,676,627	54,706,508	181,616,917	506,276,423	35.87%
2005	154,355,380	441,015,371	15,809,720	18,181,287	12,756,737	51,026,948	182,921,837	510,223,607	35.85%
2006	157,328,440	497,665,800	13,311,790	15,308,650	8,809,163	35,236,652	196,303,983	548,211,102	35.81%

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Source: Office of the County Auditor, Wood County, Ohio

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

The assessed value of real property (including public utility real property is 35% of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment and 23% for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009.

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

Eastwood Local School District

Property Tax Rates - Direct and Overlapping Governments

Last Ten Calendar Years

(Per \$1,000 of Assessed Valuation)

Year	School Levy	County Levy	Pemberville Village Levy	Luckey Village Levy	Center Township Levy	Freedom Township Levy	Middleton Township Levy	Montgomery Township Levy	Perrysburg Township Levy	Troy Township Levy	Webster Township Levy	Mid Co. Ambulance Levy	Penta JVSD Levy
2006	\$ 43.80	\$ 14.90	\$ 2.40	\$ 6.50	\$ 5.80	\$ 7.00	\$ 11.20	\$ 6.90	\$ 12.25	\$ 7.40	\$ 5.50	\$ 2.00	\$ 3.20
2005	43.80	14.40	2.40	6.50	5.80	6.80	11.20	6.90	12.25	7.40	2.00	2.00	3.20
2004	44.70	14.40	2.40	6.50	5.80	6.80	11.70	6.90	10.93	7.40	2.00	2.00	3.20
2003	44.70	14.40	2.40	6.50	6.80	6.80	9.70	6.90	10.93	7.40	2.60	2.00	2.20
2002	44.70	14.10	2.40	6.50	7.80	6.80	9.70	6.90	10.95	7.40	2.60	2.50	2.20
2001	44.70	12.80	2.40	6.50	7.80	6.80	9.70	6.90	10.95	7.40	2.60	2.50	2.20
2000	44.70	10.80	2.40	6.50	7.80	6.80	9.70	6.90	10.95	5.60	2.60	2.50	2.20
1999	45.25	12.10	2.70	6.50	7.80	3.80	10.70	6.90	5.95	5.60	2.60	2.50	2.20
1998	42.80	11.90	2.70	6.50	5.80	3.80	10.70	6.90	5.95	5.60	2.60	2.50	2.20
1997	42.80	11.90	2.70	6.50	5.80	3.80	10.70	6.90	5.95	4.60	2.60	2.50	2.20

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Source: Wood County Auditor

Note: Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County.

Eastwood Local School District

Property Tax Levies and Collections (1)

Last Ten Calendar Years

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Delinquent Taxes Receivable
2006	\$ 9,142,083	\$ 8,995,611	98.40%	\$ 148,267	\$ 9,143,878	100.02%	\$ (1,795)
2005	4,684,205	4,527,915	96.66	120,149	4,648,063	99.23	36,142
2004	4,137,319	3,985,909	96.34	180,146	4,166,056	100.69	(28,737)
2003	3,997,461	3,865,666	96.70	106,300	3,971,965	99.36	25,496
2002	3,971,018	3,874,877	97.58	86,563	3,961,440	99.76	9,578
2001	3,825,686	3,792,247	99.13	97,688	3,889,934	101.68	(64,249)
2000	3,843,445	3,811,849	99.18	104,154	3,916,003	101.89	(72,558)
1999	4,085,862	4,007,844	98.09	87,030	4,094,874	100.22	(9,012)
1998	3,734,199	3,707,195	99.28	87,892	3,795,087	101.63	(60,888)
1997	3,439,903	3,405,504	99.00	120,667	3,526,171	102.51	(86,268)

Source: Office of the County Auditor, Wood County, Ohio.

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

(2) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.

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

Eastwood Local School District

Principal Taxpayers

Real Estate Tax

2006 and 2003 (1)

Name of Taxpayer	2006			2003 (2)		
	Assessed Value	Rank	Percent of Real Property Assessed Value	Assessed Value	Rank	Percent of Real Property Assessed Value
Troy Villa Limited	\$ 1,603,530	1	1.02%	\$ 1,696,000	1	1.15%
Otterbein Homes	1,596,270	2	1.01%	1,510,140	2	1.02%
Modine Manufacturing Co.	1,402,070	3	0.89%	1,281,740	3	0.87%
USF Holland Inc.	1,048,080	4	0.67%	882,010	4	0.60%
CTE Ltd	977,380	5	0.62%	-		0.00%
Briggs, Thomas & Holland	501,590	6	0.32%	-		0.00%
Pemberville Warehouse	446,220	7	0.28%	-		0.00%
Woodruff Thomas J	370,330	8	0.24%	-		0.00%
Hirzel Canning Co.	318,950	9	0.20%	-		0.00%
Luckey Farmers Inc.	296,990	10	0.19%	-		0.00%
Totals	<u>\$ 8,561,410</u>		<u>5.44%</u>	<u>\$ 5,369,890</u>		<u>3.63%</u>
Total assessed valuation	<u>\$ 157,328,440</u>			<u>\$ 147,827,940</u>		

Source: Office of the County Auditor, Wood County, Ohio.

(1) The amounts presented represent the assessed values upon which 2006 and 2003 collections were based.

(2) Information prior to 2003 is not available.

Eastwood Local School District

Principal Taxpayers

Tangible Personal Property Tax

2006 and 2003(1)

<u>Name of Taxpayer</u>	<u>2006</u>			<u>2003 (2)</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Tangible Personal Property Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Modine Manufacturing Co.	\$ 1,617,210	1	18.36%	\$ 2,025,570	1	13.42%
Principle Business Ent.	1,146,870	2	13.02%	1,601,850	2	10.62%
Helena Chemical Company	1,117,510	3	12.69%	1,545,680	3	10.24%
Rouen Group Inc.	1,055,520	4	11.98%	1,165,310	4	7.72%
Hirzel Canning Company	692,980	5	7.87%	851,830	5	5.65%
Blanko Industries Inc.	497,820	6	5.65%	814,050	6	5.40%
Universal Metal Products	493,970	7	5.61%	808,770	7	5.36%
Nollenberger Truck Center	374,330	8	4.25%	-		0.00%
Tire Centers LLC	285,590	9	3.24%	-		0.00%
Cantwell Machinery Co.	<u>265,040</u>	10	<u>3.01%</u>	<u>-</u>		<u>0.00%</u>
Totals	<u>\$ 7,546,840</u>		<u>85.67%</u>	<u>\$ 8,813,060</u>		<u>58.41%</u>
Total assessed valuation	<u>\$ 8,809,163</u>			<u>\$ 15,088,435</u>		

Source: Office of the County Auditor, Wood County, Ohio.

(1) The amounts presented represent the assessed values upon which 2006 and 2003 collections were based.

(2) Information prior to 2003 is not available.

Eastwood Local School District

Principal Taxpayers

Public Utilities Tax

2006 and 2003 (1)

Name of Taxpayer	2006			2003 (2)		
	Assessed Value	Rank	Percent of Public Utility Assessed Value	Assessed Value	Rank	Percent of Public Utility Assessed Value
Toledo Edison	\$ 5,704,810	1	42.86%	\$ 4,587,280	1	27.91%
American Transmission	3,398,300	2	25.53%	4,089,590	2	24.89%
Columbia Gas Co.	651,010	3	4.89%	601,940	6	3.66%
United Telephone	613,230	4	4.61%	871,650	4	5.30%
Ohio Power	490,530	5	3.68%	431,110	10	2.62%
CSX Railroad	489,910	6	3.68%	757,650	5	4.61%
Mid Valley Pipeline	464,750	7	3.49%	539,280	8	3.28%
East Ohio Gas Co.	456,390	8	3.43%	560,510	7	3.41%
Marathon Ashland Pipeline	455,460	9	3.42%	-		0.00%
Troy Energy Llc	435,940	10	3.27%	-		0.00%
Totals	<u>\$ 13,160,330</u>		<u>98.86%</u>	<u>\$ 7,851,730</u>		<u>75.69%</u>
Total assessed valuation	<u>\$ 13,311,790</u>			<u>\$ 16,433,210</u>		

Source: Office of the County Auditor, Wood County, Ohio.

(1) The amounts presented represent the assessed values upon which 2006 and 2003 collections were based.

(2) Information prior to 2003 is not available.

Eastwood Local School District
Ratio of Debt to Assessed Value and Debt per Capita
Last Ten Fiscal Years

General Bonded Debt

Fiscal Year	Population (1)	Actual Value of Taxable Property (2)	General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
1997	9,124 a	\$ 123,720,200	\$ -	\$ -	\$ -	0.00%	\$ -
1998	9,124 a	124,625,480	-	-	-	0.00%	-
1999	9,124 a	127,474,670	5,449,692	164,441	5,285,251	4.15%	579.27
2000	9,124 a	147,367,210	5,244,692	164,996	5,079,696	3.45%	556.74
2001	9,213 b	149,837,640	5,024,692	385,943	4,638,749	3.10%	503.50
2002	9,213 b	152,398,140	4,804,692	141,938	4,662,754	3.06%	506.11
2003	9,213 b	164,636,030	4,574,962	142,252	4,432,710	2.69%	481.14
2004	9,213 b	166,739,523	4,329,692	166,356	4,163,336	2.50%	451.90
2005	9,213 b	165,700,320	4,318,162	16,606	4,301,556	2.60%	466.90
2006	9,213 b	181,164,950	3,772,832	113,480	3,659,352	2.02%	397.19

Sources (1) U.S. Bureau of Census, Census of Population.

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Office of the County Auditor, Wood County, Ohio.

Eastwood Local School District

Computation of Legal Debt Margin

Last Ten Fiscal Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Tax Valuation	<u>\$ 127,155,106</u>	<u>\$ 130,405,374</u>	<u>\$ 134,452,102</u>	<u>\$ 168,812,942</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>11,443,960</u>	<u>11,736,484</u>	<u>12,100,689</u>	<u>15,193,165</u>
Amount of Debt Applicable to Debt Limit 1999 H. S. Addition and Renovation Bonds	-	-	5,449,692	5,244,692
Less Amount Available in Debt Service	<u>-</u>	<u>-</u>	<u>(164,441)</u>	<u>(164,996)</u>
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>5,285,251</u>	<u>5,079,696</u>
Legal Debt Margin	<u>\$ 11,443,960</u>	<u>\$ 11,736,484</u>	<u>\$ 6,815,438</u>	<u>\$ 10,113,469</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	56.32%	66.57%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 127,155	\$ 130,405	\$ 134,452	\$ 168,813
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>164,441</u>	<u>164,996</u>
Unvoted Legal Debt Margin	<u>\$ 127,155</u>	<u>\$ 130,405</u>	<u>\$ 298,893</u>	<u>\$ 333,809</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	222.30%	197.74%

Source: Wood County Auditor and School District Financial Records.

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

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>\$ 171,643,533</u>	<u>\$ 169,656,200</u>	<u>179,349,585</u>	<u>\$ 181,616,917</u>	<u>\$ 182,921,837</u>	<u>\$ 196,303,983</u>
<u>15,447,918</u>	<u>15,269,058</u>	<u>16,141,463</u>	<u>16,345,523</u>	<u>16,462,965</u>	<u>17,667,358</u>
5,024,692	4,804,692	4,574,692	4,329,692	4,318,162	4,162,832
<u>(385,943)</u>	<u>(141,938)</u>	<u>(142,252)</u>	<u>(166,356)</u>	<u>(16,606)</u>	<u>(113,480)</u>
<u>4,638,749</u>	<u>4,662,754</u>	<u>4,432,440</u>	<u>4,163,336</u>	<u>4,301,556</u>	<u>4,049,352</u>
<u>\$ 10,809,169</u>	<u>\$ 10,606,304</u>	<u>\$ 11,709,023</u>	<u>\$ 12,182,187</u>	<u>\$ 12,161,409</u>	<u>\$ 13,618,006</u>
69.97%	69.46%	72.54%	74.53%	73.87%	77.08%
\$ 171,644	\$ 169,656	\$ 179,350	\$ 181,617	\$ 182,922	\$ 196,304
<u>385,943</u>	<u>141,938</u>	<u>142,381</u>	<u>166,356</u>	<u>16,606</u>	<u>113,480</u>
<u>\$ 557,587</u>	<u>\$ 311,594</u>	<u>\$ 321,731</u>	<u>\$ 347,973</u>	<u>\$ 199,528</u>	<u>\$ 309,784</u>
324.85%	183.66%	179.39%	191.60%	109.08%	157.81%

Eastwood Local School District
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2006

	<u>Assesed Valuation</u>	<u>Debt Attributable to Governmental Activities (1)</u>	<u>Percentage Applicable to School District (2)</u>	<u>Amount of Direct and Overlapping Debt</u>
Overlapping Debt:				
Payable from Property Taxes Wood County	\$ 196,303,983	\$ 7,237,825	6.92%	\$ 500,857
Total Overlapping Debt		7,237,825		500,857
Direct Debt		<u>4,162,832</u>	100.00%	500,857
Total Direct and Overlapping Debt	\$ 548,211,102	<u>\$ 11,400,657</u>		<u>\$ 1,502,572</u>

Source: Office of the Auditor, Wood County, Ohio and Eastwood Local School District

Note: Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County.

(1) Includes all general obligation bonds and notes at June 30, 2006.

(2) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2006 collection year.

Eastwood Local School District

Demographic and Economic Statistics

Last Ten Years

Year	Eastwood LSD Area Population (1)	Wood County Population	Personal Income (2) (in thousands)	Per Capita Personal Income (in thousands)	Unemployment Rate (3)
1997	9,124	86,054	\$ 146,345,708	16,040	3.50%
1998	9,124	86,054	165,550,573	18,145	3.30%
1999	9,124	87,913	173,652,222	19,032	3.50%
2000	9,124	89,598	178,211,278	19,532	3.20%
2001	9,213	90,895	177,982,667	19,319	3.50%
2002	9,213	91,804	177,260,464	19,240	4.80%
2003	9,213	92,722	182,634,709	19,824	4.60%
2004	9,213	93,941	192,836,877	20,931	5.40%
2005	9,213	94,602	n/a (4)	n/a (4)	5.40%
2006	9,213	95,218	n/a (4)	n/a (4)	0.00%

Sources: (1) U.S. Bureau of Census, Census of Population.

(2) Ohio Department of Taxation

(3) U.S. Department of Labor.

(4) Information not available.

Eastwood Local School District

Principal Employers

Current and Ten Years Ago

Employer	Nature of Business	2006	1997 (1)
		Number of Employees	Number of Employees
Bowling Green State University	Education	5,361	n/a
DaimlerCrysler	Manufacturing	1,647	n/a
Owens Community College	Education	1,525	n/a
Wood County	Government	1,221	n/a
Cooper Standard Automotive	Automotive Services	1,049	n/a
Rudolph-Libbe Companies	Manufacturing	900	n/a
Norplas (magna)	Manufacturing	700	n/a
Taylor Sofres plc	Market research	625	n/a
OI	Manufacturing	550	n/a
Great Lakes Window	Manufacturing	500	n/a
Total		<u>14,078</u>	<u>-</u>
Total employment within the School District		n/a	n/a

Source: Toledo Regional Chamber of Commerce

(1) Information not available.

Eastwood Local School District

School District Employees by Function/Program

Last Three Fiscal Years

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Regular instruction			
Elementary classroom teachers	79	80	83
High school classroom teachers	25	26	27
Special instruction			
Elementary classroom teachers	2	2	2
High school classroom teachers	9	10	10
Vocational instruction			
High school classroom teachers	1	1	1
Pupil support services			
Remedial Specialist	2	2	2
Educational Services Teacher	5	6	6
Tutor/Small Group Instructor	1	1	1
Guidance counselors	1	1	4
Librarians	2	1	1
Psychologists	1	1	1
Speech and language pathologists	1	1	1
Administrators			
Superintendent	1	1	1
Treasurer	1	1	1
Coordinator	1	1	1
Elementary Principal	4	4	4
High school Principal	2	2	2
Operation of plant			
Custodians	5	5	5
Maintenance	2	2	2
Pupil transportation			
Bus drivers	12	12	12
Food service program			
Elementary cooks	5	5	5
High school cooks	5	5	5

Source: School District Records.

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Information prior to 2004 is not available.

Eastwood Local School District

Building Statistics

Last Ten Fiscal Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Eastwood High School										
Total building square footage	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Enrollment grades 9-12	578	593	599	619	620	626	645	642	646	620
Student capacity	700	700	700	700	700	700	700	700	700	700
Eastwood Middle School										
Constructed in 1970										
Total building square footage	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000
Enrollment grades 6-8	444	453	466	473	470	455	455	462	427	438
Student capacity	600	600	600	600	600	600	600	600	600	600
Lemoine Elementary School										
Constructed in 1926										
Total building square footage	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500
Enrollment grades PK-3	95	86	98	95	91	80	75	80	71	61
Student capacity	200	200	200	200	200	200	200	200	200	200
Luckey Elementary School										
Constructed in 1925										
Total building square footage	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Enrollment grades K-5	222	222	229	210	210	190	194	190	205	207
Student capacity	350	350	350	350	350	350	350	350	350	350
Pemberville Elementary School										
Constructed in 1939										
Total building square footage	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Enrollment grades K-5	290	289	292	285	277	267	261	267	274	251
Student capacity	400	400	400	400	400	400	400	400	400	400
Webster Elementary School										
Constructed in 1921										
Total building square footage	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Enrollment grades K-4	202	200	201	192	195	195	194	195	177	172
Student capacity	300	300	300	300	300	300	300	300	300	300

Source:

Ohio Department of Education
School District Records

Eastwood Local School District

Operating Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>
1997	\$ 10,482,704	1,832	\$ 5,722
1998	9,712,610	1,843	5,270
1999	11,163,234	1,886	5,919
2000	11,748,106	1,874	6,269
2001	12,590,154	1,863	6,758
2002	13,132,892	1,823	7,204
2003	14,554,185	1,822	7,988
2004	14,799,789	1,836	8,061
2005	15,004,583	1,799	8,341
2006	\$ 16,194,942	1,750	\$ 9,254

Source: School District Records.

Eastwood Local School District

Teachers' Salaries

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (2)</u>	<u>Average Salary Comparable Districts</u>	<u>Statewide Average Salary (3)</u>
1997	\$ 22,180	\$ 42,586	n/a	n/a
1998	22,956	44,076	n/a	n/a
1999	23,759	45,617	n/a	n/a
2000	24,709	43,411	n/a	n/a
2001	25,697	42,117	36,716	42,995
2002	26,725	42,796	35,547	43,755
2003	27,794	45,249	38,942	45,645
2004	28,906	46,458	39,560	47,659
2005	28,906	47,621	42,260	49,438
2006	29,773	50,600	44,284	50,772

Source: School District Records.

- (1) Starting teacher with no experience.
- (2) Teacher with a Masters degree and more than 30 year's experience.
- (3) Provided by the State Department of Education.

Eastwood Local School District
Full-Time Equivalent Teachers by Education
Last Three Fiscal Years

<u>Degree</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Bachelor's Degree	93.30	97.00	90.10
Master's Degree	67.80	73.00	69.60
Total	<u>161.10</u>	<u>170.00</u>	<u>159.70</u>

Source: School District Records. Information prior to 2004 is not available.

Eastwood Local School District

Enrollment Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Eastwood Elementary School</u>	<u>Eastwood High School</u>	<u>Total</u>
1997	1253	578	1831
1998	1250	593	1843
1999	1286	599	1885
2000	1255	619	1874
2001	1243	620	1863
2002	1187	626	1813
2003	1179	645	1824
2004	1194	642	1836
2005	1154	646	1800
2006	1129	620	1749

Source: Ohio Department of Education

Eastwood Local School District

Nutritional Services - Facts and Figures

Last Eight Fiscal Years

Year Ending June 30, 2006

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Average Daily Membership	1590	1719	1758	1810	1869	1827	1736	1820
Total Students Eligible for free Lunch	180	189	177	164	138	167	155	129
Participation Percent	11%	11%	10%	9%	7%	9%	9%	7%
Total Students Eligible for Reduced Lunch	101	107	96	119	126	88	87	105
Participation Percent	6%	6%	5%	7%	7%	5%	5%	6%
Total Both Plans	<u>281</u>	<u>296</u>	<u>273</u>	<u>283</u>	<u>264</u>	<u>255</u>	<u>242</u>	<u>234</u>

Source: Ohio Department of Education. MR81

Note: Information prior to 1999 is not available.

Eastwood Local School District

Average Number of Students per Teacher

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Eastwood LSD Average</u>	<u>State Average</u>
1997	21.40	20.70
1998	21.20	20.40
1999	20.10	18.60
2000	20.00	18.10
2001	19.30	18.00
2002	18.50	16.90
2003	17.80	16.50
2004	17.90	18.50
2005	18.40	18.50
2006	18.70	18.60

Source: Ohio Department of Education

Eastwood Local School District

Attendance and Graduation Rates

Last Ten Fiscal Years

Fiscal Year	Eastwood LSD Attendance Rate	State Average	Eastwood LSD Graduation Rate	State Average
1997	96.00%	n/a	91.00%	n/a
1998	96.40%	93.90%	80.90%	79.90%
1999	96.10%	93.50%	92.60%	81.40%
2000	96.30%	93.60%	93.20%	80.70%
2001	95.80%	93.90%	92.20%	81.20%
2002	96.40%	94.30%	92.70%	82.80%
2003	96.60%	94.50%	100.00%	83.90%
2004	96.30%	94.50%	96.20%	84.30%
2005	96.50%	94.30%	94.40%	85.90%
2006	96.50%	94.10%	96.90%	86.20%

Source: Ohio Department of Education Local Report Cards.



Mary Taylor, CPA
Auditor of State

EASTWOOD LOCAL SCHOOL DISTRICT

WOOD 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
OCTOBER 4, 2007**