

EASTWOOD LOCAL SCHOOL DISTRICT

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008



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, 2007 through June 30, 2008. 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

December 15, 2008

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**EASTWOOD LOCAL SCHOOL DISTRICT
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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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, 2008, which collectively comprise the Eastwood Local School District, Ohio's basic financial statements and have issued our report thereon dated November 17, 2008. 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 the 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 the Eastwood Local School District, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 the Eastwood Local School District, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the 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 the 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 the 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 the Eastwood Local School District, Ohio, in a separate letter dated November 17, 2008.

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



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

November 17, 2008

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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 the 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, 2008. The 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 the Eastwood Local School District, Ohio's management. Our responsibility is to express an opinion on the 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 of the Eastwood Local School District, Ohio's compliance with those requirements.

In our opinion, the 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, 2008.

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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Eastwood Local School District, Ohio's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

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, Ohio, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 17, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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, the Board of Education, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.

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

November 17, 2008

**EASTWOOD LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor <i>Pass Through Grantor</i> Program Title	CFDA Number	Pass Through Entity Number	Federal Receipts	Federal 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	\$ 101,623	\$ 101,623
National School Lunch Program	10.555	050674-LLP4-2008	124,657	124,657
Total Nutrition Cluster			<u>226,280</u>	<u>226,280</u>
Total U.S. Department of Agriculture			<u>226,280</u>	<u>226,280</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 - FY08	84.010	050674-C1S1-2008	113,960	118,336
Title I - FY07	84.010	050674-C1S1-2007	16,758	16,758
Total Title I			<u>130,718</u>	<u>135,094</u>
Migrant Grant - FY08	84.011	050674-MGS1-2008	5,614	5,614
Migrant Grant - FY07	84.011	050674-MGS1-2007	0	76
Total Migrant Grant			<u>5,614</u>	<u>5,690</u>
Special Education Cluster:				
Special Education Grants to States - (IDEA Part B) - FY08	84.027	050674-6BSF-2008	373,538	373,538
Total Special Education Cluster			<u>373,538</u>	<u>373,538</u>
Drug-Free School Grant - FY08	84.186	050674-DRS1-2008	4,774	4,774
Total Drug-Free School Grant			<u>4,774</u>	<u>4,774</u>
Innovative Education Program Strategies - FY08	84.298	050674-C2S1-2008	2,368	3,816
Total Innovative Education Program Strategies			<u>2,368</u>	<u>3,816</u>
Title II-D Technology - FY08	84.318	050674-TJS1-2008	1,176	1,184
Total Title II-D Technology			<u>1,176</u>	<u>1,184</u>
Special Education - State Personnel Development:				
Virtual Learning Grant	84.323	N/A	0	416
Miscellaneous Federal Grant	84.323	N/A	0	5,542
Program Evaluation Grant	84.323	N/A	0	9,712
Total Special Education - State Personnel Development			<u>0</u>	<u>15,670</u>
Title II-A Technology				
Improving Teacher Quality State Grant 2008	84.367	050674-TRS1-2008	52,906	53,308
Improving Teacher Quality State Grant 2007	84.367	050674-TRS1-2007	1,648	1,648
Total Title II-A Technology			<u>54,554</u>	<u>54,956</u>
Total U.S. Department of Education			<u>572,742</u>	<u>594,722</u>
TOTAL ALL FEDERAL ASSISTANCE			<u>\$ 799,022</u>	<u>\$ 821,002</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, 2008**

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, 2008, 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, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

2008(i)	Type of Financial Statement Opinion	Unqualified
2008(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2008(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2008(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2008(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2008(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2008(v)	Type of Major Programs' Compliance Opinions	Unqualified
2008(vi)	Are there any reportable findings under .510?	No
2008(vii)	Major Programs (list): Special Education Cluster: Special Education Grants to States, IDEA, Part B - CFDA #84.027	
2008(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 or more Type B: All others less than \$300,000
2008(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, 2008**

The prior audit report, as of June 30, 2007, 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, 2008

Eastwood Local School District

Pemberville, Ohio

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

Prepared by:
David Michel and
Treasurer's Office Staff

Eastwood Local School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008

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Eastwood Local School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008

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Eastwood Local School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008

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Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008

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INTRODUCTORY SECTION



Brent Welker
Superintendent
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David R. Michel
Treasurer
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November 17, 2008

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, 2008. 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 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 124,183 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 613 school districts in the State of Ohio. The School District provides education to 1,827 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 15 and 16 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 2008, the School District's assessed valuation was \$194,249,174 and for calendar year 2007 it was \$197,339,146.

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 five year 4.8 emergency operating levy in 2005.

Of the School District's general fund operations, 28.5 percent of the general fund revenue comes from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 54.0 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Income tax revenue is 11.7 percent, investment earnings are 1.5 percent and other revenues are 4.3 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 2009 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. The School District levied a voted tax of 1.0 percent for general operations on the income of residents and of estates. Of this amount, 1.0 percent of the tax was effective on January 1, 2007 and will continue for five years. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund. With the success of this issue, the School District will be able to accomplish a number of initiatives in the area of curriculum development, technology, 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 1992 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 2007-08 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 2.

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 created 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 2008. 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 \$10,370 at June 30, 2008 compared with net assets of \$12,073 at June 30, 2007, reflecting a decrease of \$1,703.

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 \$120,368 at June 30, 2008. 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 \$51,950 at June 30, 2008.

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, 2008 was \$220,776 all of which 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 contracted with Schools of Ohio Risk Sharing Authority (SORSA) for 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.

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, 2008. 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, 2007 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,

A handwritten signature in black ink that reads "David R. Michel". The signature is written in a cursive style with a large, sweeping initial "D".

David Michel, MBA
Treasurer

Eastwood Local School District
Officials Roster
For the Year Ended June 30, 2008

ELECTED OFFICIALS

<u>BOARD OF EDUCATION</u>	<u>TITLE</u>	<u>TERM OF EXPIRATION</u>	<u>SURETY</u>
Robert Kuhlman	President	1/1/08 - 12/31/12	(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	1/1/08 - 12/31/11	(A)
Randall Cajka	Member	1/1/06 - 12/31/09	(A)

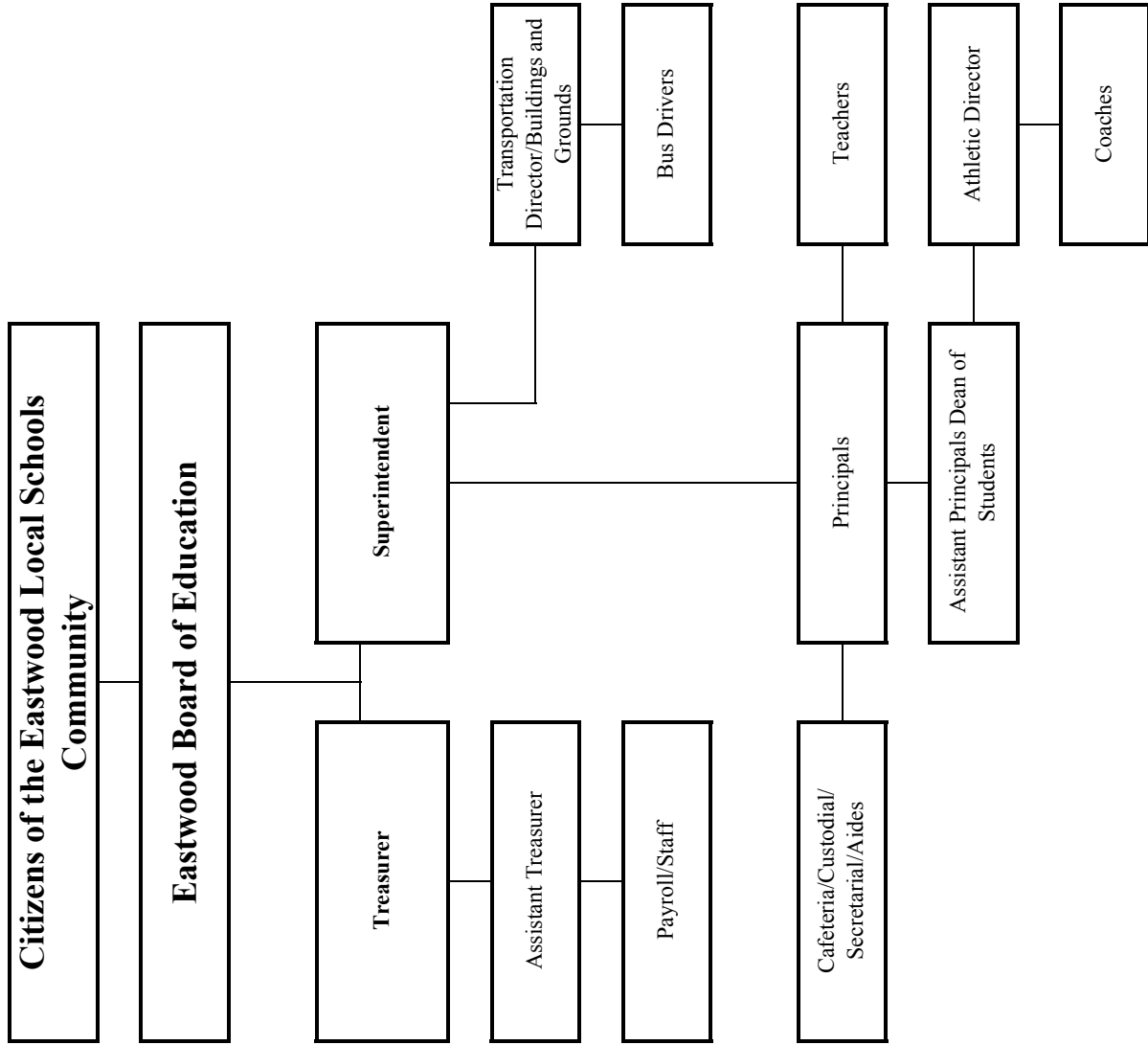
APPOINTED OFFICIALS

David Michel, MBA	Treasurer	1/1/06-12/31/09	(B)
Brent Welker	Superintendent	8/1/08-07/31/10	(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, 2007

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.



Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

FINANCIAL SECTION

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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, the 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, 2008, 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 financial statements based on our audit.

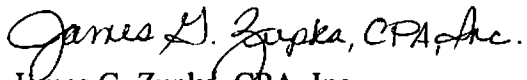
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 the 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, the major fund, and the aggregate remaining fund information of the Eastwood Local School District, Ohio, as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, 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 November 17, 2008, 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 important for 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

November 17, 2008

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
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, 2008. 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

- General revenues accounted for \$14,833,089 in revenue or 86.2 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,386,013 or 13.9 percent of total governmental revenues of \$17,219,102.
- The School District had \$15,676,110 in expenses related to governmental activities; only \$2,386,013 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and school foundation) of \$14,833,089 were adequate to provide for these programs, resulting in an increase in net assets.
- The only major fund, the general fund had \$14,836,304 in revenues and \$13,501,558 in expenditures. The general fund's fund balance increased \$1,309,920 from \$2,658,478

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.

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.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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 2008?" 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 information presented for governmental activities in the government-wide financial statements. By doing so the 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.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The School District maintains twenty-eight 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-seven 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 governmental 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 25-50 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 starting on page 51 of this report.

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 2008 and 2007:

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Table 1
 Net Assets
 Governmental Activities

	<u>2008</u>	<u>2007</u>
Assets:		
Current and other assets	\$ 11,094,460	\$ 9,670,364
Capital assets	<u>5,102,907</u>	<u>5,108,562</u>
Total assets	<u>16,197,367</u>	<u>14,778,926</u>
Liabilities:		
Current liabilities	6,675,958	6,546,900
Long-term liabilities	<u>4,467,190</u>	<u>4,720,799</u>
Total liabilities	<u>11,143,148</u>	<u>11,267,699</u>
Net assets:		
Invested in capital assets	1,794,435	1,306,729
Restricted	395,294	855,847
Unrestricted	<u>2,864,490</u>	<u>1,348,651</u>
Total net assets	<u>\$ 5,054,219</u>	<u>\$ 3,511,227</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the School District's assets exceeded liabilities by \$5,054,219.

The bulk of the School District's net assets, \$2,864,490 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 \$1,794,435. 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, \$395,294 or 7.8 percent, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted assets, \$153,217 or 38.8 percent is restricted for debt service payments; \$39,368, or 10 percent, is restricted for set asides, \$73,027, or 18.4 percent is restricted for other purposes and \$129,682, or 32.8 percent is restricted for capital projects. At the end of the current fiscal year, the School District is able to report positive balances in all categories of net assets.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Table 2 shows change in net assets for fiscal years 2008 and 2007.

Table 2
Governmental Activities

	2008	2007
Revenue:		
Program revenues:		
Charges for services and sales	\$ 1,472,748	\$ 1,405,349
Operating grants and contributions	901,099	1,025,336
Capital grants and contributions	12,166	19,541
General revenues:		
Property taxes	4,917,360	6,186,940
Income taxes	1,740,398	327,484
Grants and entitlements	7,468,547	7,391,111
Payment in lieu of taxes	480,000	500,000
Investment earnings	220,776	209,557
Miscellaneous	6,008	22,094
Total revenues	17,219,102	17,087,412
Expenses:		
Instruction:		
Regular	7,193,057	7,074,299
Special	1,800,867	1,831,854
Vocational	164,737	160,906
Adult continuing	55	53
Support services:		
Pupils	469,866	482,778
Instructional staff	483,527	353,550
Board of education	24,772	76,907
Administration	1,271,689	1,254,662
Fiscal	451,267	421,846
Business	55	53
Operation and maintenance of plant	1,336,023	1,557,707
Pupil transportation	1,044,781	1,133,859
Central	1,402	1,353
Operation of non-instructional services	714,043	710,864
Extracurricular activities	525,644	511,328
Interest and fiscal charges	194,325	212,120
Total expenses	15,676,110	15,784,139
Changes in net assets	1,542,992	1,303,273
Beginning net assets, as restated	3,511,227	2,207,954
Ending net assets	\$ 5,054,219	\$ 3,511,227

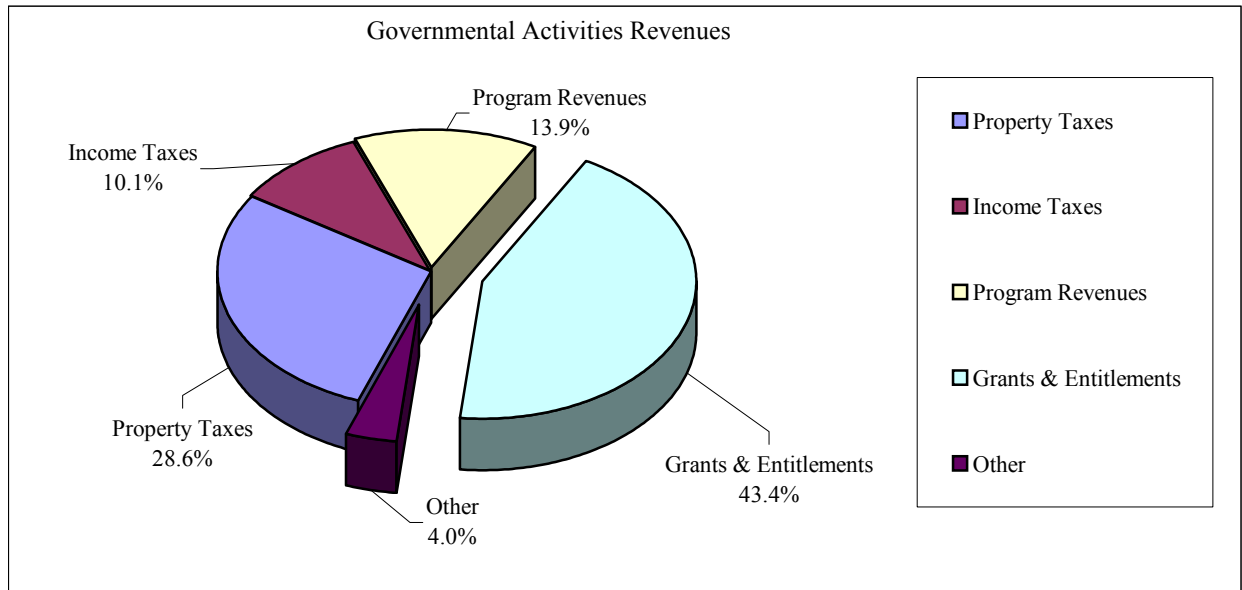
Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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 28.6 percent of revenues for governmental activities for the School District in fiscal year 2008. 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 School District has an income tax which is also a critical revenue used to support operations. For 2008, this revenue amounted to \$1,740,398 or 10.1 percent of total revenues. This increased \$1,412,914 from fiscal year 2007 due to fiscal year 2008 being the first full year of collections.

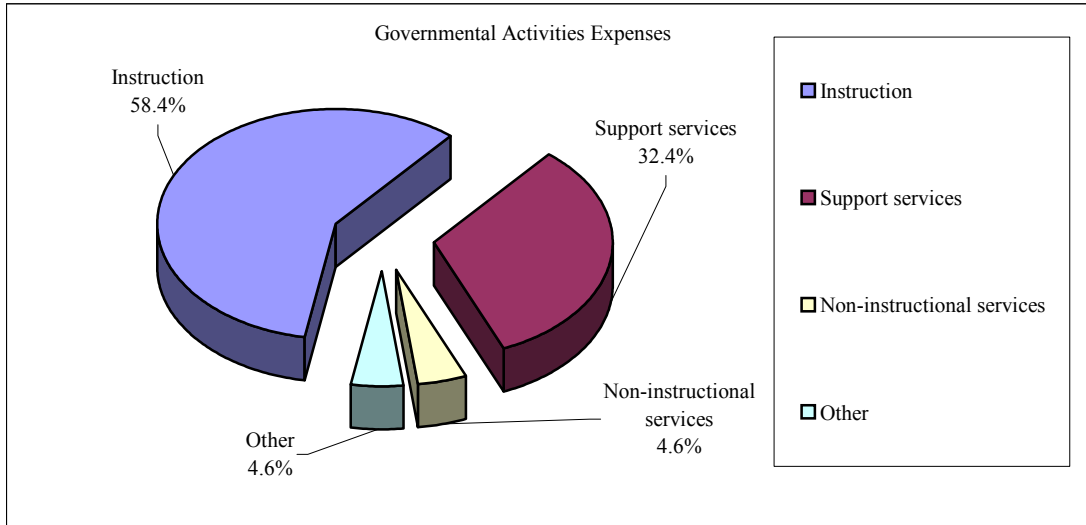
The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$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 58.4 percent of governmental program expenses. Additional supporting services for pupils, staff, administration and business operations encompassed an additional 32.4 percent. The remaining 9.2 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, 2008
Unaudited



In general, program expenses were comparable to the prior year. Program expenses for 2008 decreased 0.7 percent from 2007. The decreases were not attributed to any specific program but an overall decrease in expenses.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2008 and 2007. 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, 2008
Unaudited

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	2008		2007		Net Change	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses:						
Instruction:						
Regular	7,193,057	(6,484,529)	7,074,299	(6,335,587)	(118,758)	148,942
Special	1,800,867	(1,307,755)	1,831,854	(1,308,348)	30,987	(593)
Vocational	164,737	(115,421)	160,906	(109,891)	(3,831)	5,530
Adult continuing	55	(55)	53	(53)	(2)	2
Support services:						
Pupils	469,866	(455,237)	482,778	(472,295)	12,912	(17,058)
Instructional staff	483,527	(440,270)	353,550	(333,994)	(129,977)	106,276
Board of education	24,772	(24,772)	76,907	(76,907)	52,135	(52,135)
Administration	1,271,689	(1,257,991)	1,254,662	(1,239,016)	(17,027)	18,975
Fiscal	451,267	(438,459)	421,846	(362,965)	(29,421)	75,494
Business	55	(55)	53	(53)	(2)	2
Operation and maintenance of plant	1,336,023	(1,276,479)	1,557,707	(1,531,315)	221,684	(254,836)
Pupil transportation	1,044,781	(1,024,462)	1,133,859	(1,106,117)	89,078	(81,655)
Central	1,402	(1,402)	1,353	5,556	(49)	6,958
Operation of non- instructional services	714,043	(10,272)	710,864	(35,818)	(3,179)	(25,546)
Extracurricular activities	525,644	(258,613)	511,328	(214,990)	(14,316)	43,623
Interest and fiscal charges	194,325	(194,325)	212,120	(212,120)	17,795	(17,795)
Total expenses	\$ 15,676,110	\$(13,290,097)	\$ 15,784,139	\$(13,333,913)	\$ 108,029	\$(43,816)

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 \$17,308,712 and expenditures of \$15,923,401. The total governmental fund balance increased \$1,385,311. The net change in governmental fund balance for the year was most significant in the general fund, where the fund balance increased \$1,309,920 for fiscal year 2008.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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 \$2,924,598, while total fund balance increased to \$3,968,398. 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 fund balance represents 21.7 percent of total general fund expenditures, while total fund balance represents 29.4 percent of that same amount. The key factor in this increase of fund balance for the general fund was due to an increase of revenues by \$404,693 mainly due to an increase in income taxes and intergovernmental revenues. Total expenditures increased \$229,746, not specific to any one function.

Table 4 shows fiscal year 2008 balances compared to fiscal year 2007.

Table 4
Fund Balances

	Fund Balance <u>June 30, 2008</u>	Fund Balance <u>June 30, 2007</u>	Increase/ <u>(Decrease)</u>	Percent <u>Change</u>
General	3,968,398	2,658,478	1,309,920	49.27%
Other governmental	<u>379,792</u>	<u>304,401</u>	<u>75,391</u>	<u>24.77%</u>
Total	<u>4,348,190</u>	<u>2,962,879</u>	<u>1,385,311</u>	<u>74.04%</u>

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 2008 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 \$14,467,282, the original budget estimate of \$14,849,260. Of this \$381,978 difference, taxes and intergovernmental revenue was approximately \$118,955 and \$198,887 under original estimates, respectively. The taxes and intergovernmental revenue line items fluctuate year to year.

The difference between the original budget appropriations and the final amended budget appropriations of the general fund were approximately \$346,856. Most of the decrease occurred in instruction, which amounted to \$199,516.

Actual revenue of \$14,467,282, which there was no change from the final estimate and as a result of this, expenditures were carefully monitored and actual expenditures had no variance from the budget.

Capital Assets and Debt Administration

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Capital Assets. The School District's investment in capital assets for its governmental activities as of June 30, 2008, amount to \$5,102,907 (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 0.1 percent, which was primarily due to current year depreciation.

Table 4
 Capital Assets (Net of Depreciation)
 Governmental Activities

	<u>2008</u>	<u>2007</u>
Land	\$ 261,067	\$ 261,067
Buildings and improvements	4,492,938	4,655,333
Furniture, equipment and fixtures	171,945	144,096
Vehicles	<u>176,957</u>	<u>48,066</u>
Total Capital Assets, Net	<u>\$ 5,102,907</u>	<u>\$ 5,108,562</u>

The School District found it necessary to purchase several vehicles and one server, which totaled \$207,858. For further information regarding the School District's capital assets, refer to Note 7 to the basic financial statements

Debt. At June 30, 2008, the School District had \$3,445,402 in bonds (including bond accretion) outstanding with \$305,000 due within one year. The School District's long-term obligations also include compensated absences and capital leases. Table 5 summarizes the bonds outstanding:

Table 5
 Outstanding Debt, at Fiscal Year End
 Governmental Activities

	<u>2008</u>	<u>2007</u>
High School addition and renovation bonds	\$ 3,310,402	\$ 3,438,099
Classroom facilities improvement bonds	<u>135,000</u>	<u>265,000</u>
Total bonds	<u>\$ 3,445,402</u>	<u>\$ 3,703,099</u>

At June 30, 2008, the School District's overall legal debt margin was \$14,149,879 with an unvoted debt margin of \$307,104. 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.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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, 2008

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 4,518,554
Inventory held for resale	17,482
Materials and supplies inventory	3,247
Receivables:	
Accounts	22,505
Intergovernmental	21,055
Due from agency fund	120,368
Property taxes	5,453,521
Income taxes	819,631
Prepaid items	118,097
Capital assets:	
Land	261,067
Depreciable capital assets, net	4,841,840
Total assets	<u>16,197,367</u>
<u>Liabilities:</u>	
Accounts payable	27,716
Accrued wages	1,598,206
Matured compensated absences payable	6,869
Intergovernmental payable	90,053
Pension obligation payable	305,117
Accrued interest payable	12,375
Deferred revenue	4,635,622
Long-term liabilities:	
Due within one year	522,330
Due in more than one year	3,944,860
Total liabilities	<u>11,143,148</u>
<u>Net assets:</u>	
Invested in capital assets, net of related debt	1,794,435
Restricted for:	
Capital projects	129,682
Debt service	153,217
Set asides	39,368
Other purposes	73,027
Unrestricted	2,864,490
Total net assets	<u>\$ 5,054,219</u>

See accompanying notes to the basic financial statements.

Eastwood Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenues and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction:					
Regular	\$ 7,193,057	\$ 640,926	\$ 67,602	\$ -	\$ (6,484,529)
Special	1,800,867	-	493,112	-	(1,307,755)
Vocational	164,737	-	49,316	-	(115,421)
Adult/continuing	55	-	-	-	(55)
Support services:					
Pupils	469,866	-	14,629	-	(455,237)
Instructional staff	483,527	7,682	35,575	-	(440,270)
Board of education	24,772	-	-	-	(24,772)
Administration	1,271,689	-	13,698	-	(1,257,991)
Fiscal	451,267	-	12,808	-	(438,459)
Business	55	-	-	-	(55)
Operation and maintenance of plant	1,336,023	51,045	8,499	-	(1,276,479)
Pupil transportation	1,044,781	-	8,153	12,166	(1,024,462)
Central	1,402	-	-	-	(1,402)
Operation of non-instructional services	714,043	506,064	197,707	-	(10,272)
Extracurricular activities	525,644	267,031	-	-	(258,613)
Interest and fiscal charges	194,325	-	-	-	(194,325)
Total governmental activities	\$ 15,676,110	\$ 1,472,748	\$ 901,099	\$ 12,166	(13,290,097)

General Revenues:

Property taxes levied for:

General purposes	4,252,133
Debt service	445,526
Capital outlay	219,701

Income taxes levied for:

General purposes	1,740,398
Grants and entitlements not restricted to specific programs	7,468,547
Payment in lieu of taxes	480,000
Investment earnings	220,776
Miscellaneous	6,008

Total general revenues 14,833,089

Change in net assets 1,542,992

Net assets beginning of year 3,511,227

Net assets end of year \$ 5,054,219

See accompanying notes to the basic financial statements.

Eastwood Local School District

Balance Sheet

Governmental Funds

June 30, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 3,991,704	\$ 477,112	\$ 4,468,816
Inventory held for resale	-	17,482	17,482
Materials and supplies inventory	-	3,247	3,247
<u>Receivables:</u>			
Accounts	14,141	8,364	22,505
Intergovernmental	-	21,055	21,055
Interfund	39,943	-	39,943
Property taxes	4,829,305	624,216	5,453,521
Income taxes	819,631	-	819,631
Due from agency fund	120,368	-	120,368
Prepaid items	113,002	5,095	118,097
Equity in pooled cash and cash equivalents (restricted)	39,368	-	39,368
Advances to other funds	136,648	-	136,648
Total assets	<u>\$ 10,104,110</u>	<u>\$ 1,156,571</u>	<u>\$ 11,260,681</u>
 <u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Accounts payable	22,142	5,574	27,716
Accrued wages	1,567,265	30,941	1,598,206
Matured compensated absences payable	6,869	-	6,869
Interfund payable	-	39,943	39,943
Intergovernmental payable	89,605	448	90,053
Pension obligation payable	285,518	19,599	305,117
Deferred revenue	4,164,313	543,626	4,707,939
Advances from other funds	-	136,648	136,648
Total liabilities	<u>6,135,712</u>	<u>776,779</u>	<u>6,912,491</u>
 <u>Fund balances:</u>			
Reserved for encumbrances	202,792	23,520	226,312
Reserved for advances	136,648	-	136,648
Reserved for property taxes	664,992	80,590	745,582
Reserved for textbooks/instructional material	39,368	-	39,368
<u>Unreserved,</u>			
Undesignated, reported in:			
General fund	2,924,598	-	2,924,598
Special revenue funds	-	81,723	81,723
Debt service fund	-	112,855	112,855
Capital projects funds	-	81,104	81,104
Total fund balances	<u>3,968,398</u>	<u>379,792</u>	<u>4,348,190</u>
Total liabilities and fund balances	<u>\$ 10,104,110</u>	<u>\$ 1,156,571</u>	<u>\$ 11,260,681</u>

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, 2008*

Total governmental fund balances		\$ 4,348,190
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.		5,102,907
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	\$	72,317
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.		10,370
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	\$ (3,445,402)	
Compensated absences	(948,008)	
Capital leases	(73,780)	
Accrued interest payable	(12,375)	
Total	(4,479,565)	
Net assets of governmental activities		\$ 5,054,219

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, 2008

	General	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>			
Property taxes	\$ 4,299,024	\$ 670,035	\$ 4,969,059
Income taxes	1,740,398	-	1,740,398
Payment in lieu of taxes	480,000	-	480,000
Intergovernmental	7,532,815	884,351	8,417,166
Interest	220,776	-	220,776
Tuition and fees	506,288	82,612	588,900
Extracurricular activities	-	330,636	330,636
Gifts and donations	-	413	413
Charges for services	-	504,361	504,361
Rent	51,045	-	51,045
Miscellaneous	5,958	-	5,958
Total revenues	<u>14,836,304</u>	<u>2,472,408</u>	<u>17,308,712</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,835,384	235,929	7,071,313
Special	1,297,812	496,960	1,794,772
Vocational	164,204	-	164,204
Support services:			
Pupils	442,056	20,340	462,396
Instructional staff	409,358	47,170	456,528
Board of education	24,772	-	24,772
Administration	1,242,415	23,711	1,266,126
Fiscal	408,277	24,172	432,449
Operation and maintenance of plant	1,216,589	134,325	1,350,914
Pupil transportation	969,108	12,931	982,039
Operation of non-instructional services	-	711,660	711,660
Extracurricular activities	250,449	269,905	520,354
Capital outlay	207,858	-	207,858
Debt service:			
Principal retirement	24,954	290,000	314,954
Interest and fiscal charges	8,322	154,740	163,062
Total expenditures	<u>13,501,558</u>	<u>2,421,843</u>	<u>15,923,401</u>
Excess of revenues over (under) expenditures	<u>1,334,746</u>	<u>50,565</u>	<u>1,385,311</u>
<u>Other financing sources (uses):</u>			
Transfers in	-	24,826	24,826
Transfers out	(24,826)	-	(24,826)
Total other financing sources (uses)	<u>(24,826)</u>	<u>24,826</u>	<u>-</u>
Net change in fund balances	1,309,920	75,391	1,385,311
Fund balances at beginning of year	2,658,478	304,401	2,962,879
Fund balances at end of year	<u>\$ 3,968,398</u>	<u>\$ 379,792</u>	<u>\$ 4,348,190</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, 2008*

Net change in fund balances - total governmental funds	\$	1,385,311
<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>		
Capital asset additions	\$	207,858
Depreciation expense		(213,513)
Excess of capital outlay over depreciation expense		(5,655)
<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	\$	(51,698)
Intergovernmental		(37,543)
Charges for services		(129)
Tuition and fees		(240)
Net change in deferred revenues during the year		(89,610)
<p>Repayment of principal on bonds and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
		314,954
<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	\$	(29,042)
Decrease in accrued interest		1,040
Bond accretion		(32,303)
Total additional expenditures		(60,305)
<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>		
		(1,703)
Change in net assets of governmental activities	\$	1,542,992

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, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$ 4,624,272	\$ 4,505,317	\$ 4,505,319	\$ 2
Payment in lieu of taxes	1,192,154	1,161,488	1,161,488	-
Intergovernmental	7,731,702	7,532,815	7,532,815	-
Interest	226,605	220,776	220,776	-
Tuition and fees	521,149	507,743	507,741	(2)
Rent	56,792	55,331	55,331	-
Gifts and donations	492,673	480,000	480,000	-
Miscellaneous	3,913	3,812	3,812	-
Total revenues	<u>14,849,260</u>	<u>14,467,282</u>	<u>14,467,282</u>	<u>-</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,195,507	7,036,823	7,036,823	-
Special	1,409,113	1,370,967	1,370,967	-
Vocational	164,376	161,690	161,690	-
Support services:				
Pupils	446,963	439,496	439,496	-
Instructional staff	421,884	415,140	415,140	-
Board of education	25,202	24,802	24,802	-
Administration	1,263,633	1,232,593	1,232,593	-
Fiscal	446,740	428,119	428,119	-
Operation and maintenance of plant	1,314,404	1,263,545	1,263,545	-
Pupil transportation	1,179,802	1,151,623	1,151,623	-
Extracurricular activities	254,191	250,161	250,161	-
Total expenditures	<u>14,121,815</u>	<u>13,774,959</u>	<u>13,774,959</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>727,445</u>	<u>692,323</u>	<u>692,323</u>	<u>-</u>
<u>Other financing sources (uses):</u>				
Proceeds from sale of capital assets	-	58,512	58,512	-
Refund of prior year expenditures	-	4,232	4,232	-
Advances in	-	679,259	679,259	-
Advances out	-	(27,300)	(27,300)	-
Transfers out	-	(24,826)	(24,826)	-
Total other financing sources (uses)	<u>-</u>	<u>689,877</u>	<u>689,877</u>	<u>-</u>
Net change in fund balance	727,445	1,382,200	1,382,200	-
Fund balance at beginning of year	2,300,921	2,300,921	2,300,921	-
Prior year encumbrances appropriated	124,949	124,949	124,949	-
Fund balance at end of year	<u>\$ 3,153,315</u>	<u>\$ 3,808,070</u>	<u>\$ 3,808,070</u>	<u>\$ -</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, 2008

	Governmental- Activities Internal Service Fund
<u>Assets:</u>	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 10,370
	-
<u>Liabilities:</u>	
Total liabilities	-
<u>Net assets:</u>	
Unrestricted	10,370
Total liabilities and net assets	\$ 10,370

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, 2008

	Governmental- Activities Internal Service Fund
<u>Operating revenues:</u>	
Other revenues	\$ 25,158
 <u>Operating expenses:</u>	
Other	26,861
Change in net assets	(1,703)
Net assets beginning of year	12,073
Net assets end of year	\$ 10,370

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, 2008

	Governmental- Activities Internal Service Fund
<u>Cash flows from operating activities:</u>	
Cash received from other operating sources	\$ 25,158
Cash payments for other operating expenses	(26,861)
Net cash provided by (used in) operating activities	(1,703)
Net increase (decrease) in cash and cash equivalents	(1,703)
Cash and cash equivalents at beginning of year	12,073
Cash and cash equivalents at end of year	\$ 10,370
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (1,703)
Net cash provided by (used in) operating activities	\$ (1,703)

See accompanying notes to the basic financial statements.

Eastwood Local School District
Combined Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

	Agency
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 51,962
Investments in segregated accounts	
Receivable:	
Intergovernmental	120,356
Total assets	\$ 172,318
 <u>Liabilities:</u>	
Due to general fund	\$ 120,368
Due to students	51,950
Total liabilities	\$ 172,318

See accompanying notes to the basic financial statements.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 83 non-certificated employees and 106 certificated full-time teaching personnel who provide services to 1,807 students and other community members. The School District currently operates 6 instructional buildings, 1 administrative building, and a garage.

The financial statements of the 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.

B. 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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 15 and 16 to the basic financial statements.

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.

C. 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, 2008

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.

D. 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:

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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.

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.

E. Measurement Focus and Basis of Accounting

Measurement Focus:

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

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

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets present 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 internal service fund activity.

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, income 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 4). Revenue from income taxes is recognized in the fiscal year in which the income is earned (See Note 4). 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.

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, income taxes, 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, 2008, but which were levied to finance fiscal year 2009 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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.

F. 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.

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 2008.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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.

G. 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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 textbooks. See Note 18 for additional information regarding set-asides.

H. 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.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008 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.

J. Capital Assets and Depreciation

General capital assets are those assets resulting from expenditures in 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:

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

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

K. 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.

L. 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.

M. 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. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District’s past experience of making termination payments. 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.

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, 2008. 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

N. 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.

O. 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.

P. 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 textbooks/instructional material. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

Q. 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

R. 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.

S. 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 - 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).

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

Net Change in Fund Balances	
	General Fund
GAAP basis	\$ 1,309,920
Net adjustment for revenue accruals	372,981
Net adjustment for expenditure accruals	(77,697)
Adjustment for encumbrances	(223,004)
Budget basis	\$ 1,382,200

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

NOTE 3 - 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;
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);

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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 2008 amount to \$220,776, which includes \$189,064 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."

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 \$4,569,240. The School District's bank balance of \$4,884,432 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	\$ 4,684,432
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Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

NOTE 4 - 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 2008 is 6.25%. This will be reduced to 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.

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 \$664,992 in the general fund, \$48,365 in the debt service fund and \$32,225 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.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

There were no new levies passed during the current fiscal year. The assessed values upon which the current fiscal year taxes were collected are:

<u>Property Category</u>	<u>2008 Assessed Value</u>	<u>2007 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 161,128,070	\$ 159,374,270
Commercial, industrial and minerals	17,879,560	17,334,430
Public utilities	147,900	137,420
<u>Tangible Personal Property</u>		
General	2,468,244	6,273,006
Public utilities	12,625,400	14,220,020
Total	<u>\$ 194,249,174</u>	<u>\$ 197,339,146</u>

NOTE 5 - RECEIVABLES

Receivables at June 30, 2008, 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 \$21,055.

NOTE 6 - INCOME TAXES

The School District levies a voted tax of 1.0 percent for general operations on the income of residents and of estates. Of this amount, 1.0 percent of the tax was effective on January 1, 2007 and will continue for five years. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance</u> <u>7/1/2007</u>	<u>Addition</u>	<u>Deletion</u>	<u>Balance</u> <u>6/30/2008</u>
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	-	(174,400)	10,816,627
Furniture, Equipment and Fixtures	258,865	64,691	-	323,556
Vehicles	<u>804,842</u>	<u>143,167</u>	<u>(104,242)</u>	<u>843,767</u>
Total Capital Assets, being depreciated	<u>12,157,234</u>	<u>207,858</u>	<u>(278,642)</u>	<u>12,086,450</u>
Less Accumulated Depreciation:				
Land Improvements	(102,500)	-	-	(102,500)
Buildings and Improvements	(6,335,694)	(162,395)	174,400	(6,323,689)
Furniture, Equipment and Fixtures	(114,769)	(36,842)	-	(151,611)
Vehicles	<u>(756,776)</u>	<u>(14,276)</u>	<u>104,242</u>	<u>(666,810)</u>
Total Accumulated Depreciation	<u>(7,309,739)</u>	<u>(213,513)</u>	<u>278,642</u>	<u>(7,244,610)</u>
Total Capital Assets, being depreciated, net	<u>4,847,495</u>	<u>(5,655)</u>	<u>-</u>	<u>4,841,840</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,108,562</u>	<u>\$ (5,655)</u>	<u>\$ -</u>	<u>\$ 5,102,907</u>

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 85,307
Special	2,207
Adult	55
Support Services:	
Pupil	2,638
Instructional Staff	23,706
Administration	7,541
Business	55
Operation and maintenance of plant	26,400
Pupil Transportation	58,791
Central	1,402
Extracurricular Activities	5,411
Total Depreciation Expense	\$ 213,513

NOTE 8 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) for property insurance of \$48,518,071, with a deductible of \$1,000 per incident. Vehicle liability is insured by SORSA in the amount of \$11,000,000, with a \$1,000 deductible. Professional liability is protected by the SORSA for all Board Members, administrators, and employees with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate limit. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last 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 PENSION PLANS

A. School Employees Retirement System

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

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

It is also posted on the SERS' Ohio website, www.ohsers.org, under *Forms and Publications*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$159,039, \$248,062 and \$247,971 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. \$98,428 representing the unpaid contribution for fiscal year 2008 is recorded as a pension obligation payable.

B. State Teachers Retirement System

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$878,867, \$917,741, and \$1,043,306 respectively; 83.66 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. \$143,631 representing the unpaid contributions for fiscal year 2008 is recorded as a pension obligation payable. Contributions to the DC and Combined Plans for fiscal year 2008 were \$700 made by the School District and \$5,242 made by the plan members.

NOTE 10 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$101,474, \$111,616, and \$111,878 respectively; 44.26 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$11,459, \$15,475, and \$15,469 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$67,605, \$70,595, and \$80,254 respectively; 83.66 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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, 2008

NOTE 12 – LONG-TERM OBLIGATIONS

The changes in the School District’s debt obligations during fiscal year 2008 were as follows:

	<u>Balance 7/1/2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2008</u>	<u>Amount Due in One Year</u>
Governmental Activities					
General obligation bonds:					
High School addition and Renovation 5.2792%	\$ 3,085,000	\$ -	\$ (160,000)	\$ 2,925,000	\$ 170,000
Capital appreciation bonds	174,692	-	-	174,692	-
Accretion on bonds	178,407	32,303	-	210,710	-
Energy Conservation 4.56%	<u>265,000</u>	<u>-</u>	<u>(130,000)</u>	<u>135,000</u>	<u>135,000</u>
Total general obligation bonds:	<u>3,703,099</u>	<u>32,303</u>	<u>(290,000)</u>	<u>3,445,402</u>	<u>305,000</u>
Other Obligations:					
Compensated Absences	918,966	196,205	(167,163)	948,008	189,896
Capital lease	<u>98,734</u>	<u>-</u>	<u>(24,954)</u>	<u>73,780</u>	<u>27,434</u>
Total Long-term Obligations	<u>\$ 4,720,799</u>	<u>\$ 228,508</u>	<u>\$ (482,117)</u>	<u>\$ 4,467,190</u>	<u>\$ 522,330</u>

Compensated absences will be paid from the fund from which the employees’ salaries are paid. In prior years, this fund has primarily been the general fund.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2008 are as follows:

<u>Fiscal Year June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	305,000	141,795	446,795
2010	175,000	131,147	306,147
2011	185,000	122,955	307,955
2012	63,397	185,953	249,350
2013	58,081	191,269	249,350
2014-2018	873,213	404,627	1,277,840
2019-2023	1,280,000	135,885	1,415,885
2024	<u>295,000</u>	<u>7,375</u>	<u>302,375</u>
	<u>\$ 3,234,691</u>	<u>\$ 1,321,006</u>	<u>\$ 4,555,697</u>

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

NOTE 13 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During a previous fiscal year, the School District entered into a new capital lease agreement for the acquisition of a copier. The terms of each agreement provide options to purchase the equipment. The lease meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers all benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements of governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized as equipment in the amount of \$132,000 equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in the current fiscal year totaled \$24,954.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments at year-end.

<u>Fiscal</u> <u>Year</u>	<u>Lease</u> <u>Payments</u>
2009	33,276
2010	33,276
2011	<u>16,638</u>
Total minimum lease payments	83,190
Less: amount representing interest	<u>(9,410)</u>
Total	<u>\$ 73,780</u>

NOTE 14 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2008 consisted of the following:

Due to general fund from:	
Nonmajor governmental funds	\$ 39,943

Long-term advances at June 30, 2008 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, 2008, all interfund loans outstanding are anticipated to be repaid in fiscal year 2009.

The amount of the \$120,368 due from agency fund reported in the general fund is due to an outstanding advance with the SERRC agency fund in the amount of \$120,368.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2008, consisted of the following:

Transfers to nonmajor governmental funds from:	
General fund	\$ 24,826

NOTE 15 - 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 16 - 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.

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

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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 17 - 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, 2008.

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.

C. Public Utility Property Tax Refund

A lawsuit has been filed by the Columbia Gas Transmission Corporation arguing that the Corporation's public utility property tax assessment rate should be 25 percent of true value rather than the 88 percent used by the Tax Commissioner. The Board of Tax Appeals has agreed with the Corporation and the case has been appealed by the Tax Commissioner to the Ohio Supreme Court. The School District receives a significant amount of property tax from the Corporation. Should the Corporation prevail in the Supreme Court, it may be entitled to a refund from the School District based on the lower assessment rate beginning from tax year 2001. The amount of that refund is estimated to be approximately \$25,232 per year. A portion of the refund may be recovered from additional State entitlement payments.

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

NOTE 18 - 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.

During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Improvement</u>	<u>Total</u>
Set aside balance as of June 30, 2007	\$ (812)	\$ -	\$ (812)
Current year set-aside requirement	262,995	262,995	525,990
Current year offset	-	(232,397)	(232,397)
Qualifying expenditures	<u>(222,815)</u>	<u>(380,629)</u>	<u>(603,444)</u>
Total	<u>\$ 39,368</u>	<u>\$ (350,031)</u>	<u>\$ (310,663)</u>
Cash balance carried forward to FY2009	<u>\$ 39,368</u>		<u>\$ 39,368</u>
Amount restricted for textbooks			<u>39,368</u>
Total restricted assets			<u>\$ 39,368</u>

NOTE 19 – ACCOUNTABILITY AND COMPLIANCE

A. Fund Deficits

As of June 30, 2008, nine nonmajor special revenue funds had a deficit fund balance. These deficits were 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 funds had a deficit at year-end:

	<u>Deficit</u>
<u>Nonmajor special revenue funds:</u>	
Food service fund	54,480
Public school preschool	34,176
Migrant program	1,779
Title VI-B fund	833
Title I fund	35,526
Title VI	1,448
Drug-free school grant fund	10,073
Miscellaneous federal grants	8
Reducing class size	3,471

Eastwood Local School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

NOTE 20 – NEW ACCOUNTING AND REPORTING STANDARDS

In September 2006, the GASB issued Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. The School District has considered the implications of this statement and has determined that it has no impact on the financial statements or note disclosures for the current period

In May 2007, the GASB issued Statement No. 50, Pension Disclosures. The School District has determined that the adoption of this statement did not have an impact on the School District's financial statements; however, note disclosures related to pension benefits has been modified.

*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)

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, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 255,252	\$ 112,855	\$ 109,005	\$ 477,112
Inventory held for resale	17,482	-	-	17,482
Materials and supplies inventory	3,247	-	-	3,247
Receivables:				
Accounts	8,364	-	-	8,364
Intergovernmental	21,055	-	-	21,055
Taxes	-	356,514	267,702	624,216
Prepaid items	5,095	-	-	5,095
Total assets	<u>\$ 310,495</u>	<u>\$ 469,369</u>	<u>\$ 376,707</u>	<u>\$ 1,156,571</u>
<u>Liabilities and fund balance:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 1,265	\$ -	\$ 4,309	\$ 5,574
Accrued wages	30,941	-	-	30,941
Interfund payable	39,943	-	-	39,943
Intergovernmental payable	448	-	-	448
Pension obligations payable	19,599	-	-	19,599
Deferred revenue	-	308,149	235,477	543,626
Advances from other funds	126,097	-	10,551	136,648
Total liabilities	<u>218,293</u>	<u>308,149</u>	<u>250,337</u>	<u>776,779</u>
<u>Fund balance:</u>				
Reserved for encumbrances	10,479	-	13,041	23,520
Reserved for property taxes	-	48,365	32,225	80,590
Unreserved:				
Undesignated, reported in:				
Special revenue funds	81,723	-	-	81,723
Debt service fund	-	112,855	-	112,855
Capital projects funds	-	-	81,104	81,104
Total fund balance	<u>92,202</u>	<u>161,220</u>	<u>126,370</u>	<u>379,792</u>
Total liabilities and fund balance	<u>\$ 310,495</u>	<u>\$ 469,369</u>	<u>\$ 376,707</u>	<u>\$ 1,156,571</u>

Eastwood Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Taxes	\$ -	\$ 447,924	\$ 222,111	\$ 670,035
Intergovernmental	884,351	-	-	884,351
Tuition and fees	82,612	-	-	82,612
Extracurricular activities	330,636	-	-	330,636
Gifts and donations	363	-	50	413
Charges for services	504,361	-	-	504,361
Total revenues	<u>1,802,323</u>	<u>447,924</u>	<u>222,161</u>	<u>2,472,408</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	235,929	-	-	235,929
Special	496,960	-	-	496,960
Support services:				
Pupils	20,340	-	-	20,340
Instructional staff	47,170	-	-	47,170
Administration	22,985	426	300	23,711
Fiscal	18,458	3,257	2,457	24,172
Operation and maintenance of plant	14,298	-	120,027	134,325
Pupil transportation	11,431	-	1,500	12,931
Operation of non-instructional services	711,660	-	-	711,660
Extracurricular activities	269,905	-	-	269,905
Debt service:				
Principal retirement	-	290,000	-	290,000
Interest and fiscal charges	-	154,740	-	154,740
Total expenditures	<u>1,849,136</u>	<u>448,423</u>	<u>124,284</u>	<u>2,421,843</u>
Excess of revenues over (under) expenditures	<u>(46,813)</u>	<u>(499)</u>	<u>97,877</u>	<u>50,565</u>
<u>Other financing sources (uses):</u>				
Transfers in	<u>24,826</u>	<u>-</u>	<u>-</u>	<u>24,826</u>
Net change in fund balances	(21,987)	(499)	97,877	75,391
Fund balances at beginning of year	<u>114,189</u>	<u>161,719</u>	<u>28,493</u>	<u>304,401</u>
Fund balances at end of year	<u>\$ 92,202</u>	<u>\$ 161,220</u>	<u>\$ 126,370</u>	<u>\$ 379,792</u>

Eastwood Local School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2008

	<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	\$ 764	\$ 3,996	\$ 27,697	\$ 29,568	\$ 188
Inventory held for resale	17,482	-	-	-	-
Materials and supplies inventory	3,247	-	-	-	-
Receivables:					
Accounts	180	-	-	8,184	-
Intergovernmental	19,255	-	-	-	-
Prepaid items	5,095	-	-	-	-
Total assets	<u>\$ 46,023</u>	<u>\$ 3,996</u>	<u>\$ 27,697</u>	<u>\$ 37,752</u>	<u>\$ 188</u>
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 83	\$ -
Accrued wages	13,599	-	-	-	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	197	-	-	-	-
Pension obligations payable	18,599	-	-	-	-
Advances from other funds	68,108	-	-	-	-
Total liabilities	<u>100,503</u>	<u>-</u>	<u>-</u>	<u>83</u>	<u>-</u>
<u>Fund balance:</u>					
Reserved for encumbrances	763	-	807	821	-
Special revenue funds	<u>(55,243)</u>	<u>3,996</u>	<u>26,890</u>	<u>36,848</u>	<u>188</u>
Total fund balance	<u>(54,480)</u>	<u>3,996</u>	<u>27,697</u>	<u>37,669</u>	<u>188</u>
Total liabilities and fund balance	<u>\$ 46,023</u>	<u>\$ 3,996</u>	<u>\$ 27,697</u>	<u>\$ 37,752</u>	<u>\$ 188</u>

Student Athletics	Post Secondary Education Grant	Teacher Development	Educational Management Information Systems	Entry Year Programs	Public School Preschool
\$ 74,707	\$ 5,397	\$ 492	\$ 55,776	\$ 800	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 74,707</u>	<u>\$ 5,397</u>	<u>\$ 492</u>	<u>\$ 55,776</u>	<u>\$ 800</u>	<u>\$ -</u>
\$ 1,182	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
8,470	-	-	-	-	22,335
-	-	-	-	-	-
-	-	-	-	-	-
20,384	-	-	-	-	11,841
<u>30,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,176</u>
6,288	-	-	-	-	-
38,383	5,397	492	55,776	800	(34,176)
<u>44,671</u>	<u>5,397</u>	<u>492</u>	<u>55,776</u>	<u>800</u>	<u>(34,176)</u>
<u>\$ 74,707</u>	<u>\$ 5,397</u>	<u>\$ 492</u>	<u>\$ 55,776</u>	<u>\$ 800</u>	<u>\$ -</u>

(Continued)

Eastwood Local School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2008

	<u>Data</u> <u>Communications</u>	<u>School Net</u> <u>Technology</u>	<u>Ohio Reads</u> <u>Grant</u>	<u>Summer</u> <u>Intervention</u>	<u>Vocational</u> <u>Education</u>
Equity in pooled cash and cash equivalents	\$ -	\$ 4,123	\$ 4,000	\$ 41,543	\$ 979
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	1,800
Prepaid items	-	-	-	-	-
Total assets	\$ -	\$ 4,123	\$ 4,000	\$ 41,543	\$ 2,779
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Interfund payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Pension obligations payable	-	-	-	-	-
Advances from other funds	-	-	-	-	357
Total liabilities	-	-	-	-	357
<u>Fund balance:</u>					
Reserved for encumbrances	-	-	-	-	-
Special revenue funds	-	4,123	4,000	41,543	2,422
Total fund balance	-	4,123	4,000	41,543	2,422
Total liabilities and fund balance	\$ -	\$ 4,123	\$ 4,000	\$ 41,543	\$ 2,779

Miscellaneous State Grants	Migrant Program	Title VI-B	OWA Grant	Title I	Title VI
\$ 4,257	\$ -	\$ -	\$ 965	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 965</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,754	-	-	11,327	-
-	-	-	-	3,106	1,448
-	25	-	-	164	-
-	-	-	-	1,000	-
-	-	833	-	19,929	-
<u>-</u>	<u>1,779</u>	<u>833</u>	<u>-</u>	<u>35,526</u>	<u>1,448</u>
1,800	-	-	-	-	-
<u>2,457</u>	<u>(1,779)</u>	<u>(833)</u>	<u>965</u>	<u>(35,526)</u>	<u>(1,448)</u>
<u>4,257</u>	<u>(1,779)</u>	<u>(833)</u>	<u>965</u>	<u>(35,526)</u>	<u>(1,448)</u>
<u>\$ 4,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 965</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Eastwood Local School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2008

	Drug-Free Schools Grant	Miscellaneous Federal Grants	Reducing Class Size	Total Nonmajor Special Revenue Funds
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 255,252
Inventory held for resale	-	-	-	17,482
Materials and supplies inventory	-	-	-	3,247
Receivables:				
Accounts	-	-	-	8,364
Intergovernmental	-	-	-	21,055
Prepaid items	-	-	-	5,095
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,495</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,265
Accrued wages	1,236	-	3,025	30,941
Interfund payable	4,174	8	402	39,943
Intergovernmental payable	18	-	44	448
Pension obligations payable	-	-	-	19,599
Advances from other funds	4,645	-	-	126,097
Total liabilities	<u>10,073</u>	<u>8</u>	<u>3,471</u>	<u>218,293</u>
<u>Fund balance:</u>				
Reserved for encumbrances	-	-	-	10,479
Special revenue funds	<u>(10,073)</u>	<u>(8)</u>	<u>(3,471)</u>	<u>81,723</u>
Total fund balance	<u>(10,073)</u>	<u>(8)</u>	<u>(3,471)</u>	<u>92,202</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,495</u>

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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, 2008*

	Food Service	Special Trust	Uniform School Supplies	Public School Support	Martha Holden Jennings Grant
<u>Revenues:</u>					
Intergovernmental	\$ 195,534	\$ -	\$ -	\$ -	\$ 2,124
Tuition and fees		-	80,788	-	-
Extracurricular activities	-	7,682	-	54,090	-
Gifts and donations	-	13	-	-	-
Charges for services	504,361	-	-	-	-
Total revenues	<u>699,895</u>	<u>7,695</u>	<u>80,788</u>	<u>54,090</u>	<u>2,124</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	-	76,089	51,721	4,424
Special	-	-	-	-	-
Support services:					
Pupils	-	-	-	-	-
Instructional staff	-	8,585	-	-	-
Administration	-	-	-	-	-
Fiscal	-	-	-	-	-
Operation and maintenance of plant	2,382	-	-	-	-
Pupil transportation	-	-	-	-	-
Operation of non-instructional services	707,827	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>710,209</u>	<u>8,585</u>	<u>76,089</u>	<u>51,721</u>	<u>4,424</u>
<u>Other financing sources (uses):</u>					
Transfers in	20,479	-	-	-	-
Net change in fund balances	10,165	(890)	4,699	2,369	(2,300)
Fund balances (deficit) at beginning of year	<u>(64,645)</u>	<u>4,886</u>	<u>22,998</u>	<u>35,300</u>	<u>2,488</u>
Fund balances (deficit) at end of year	<u>\$ (54,480)</u>	<u>\$ 3,996</u>	<u>\$ 27,697</u>	<u>\$ 37,669</u>	<u>\$ 188</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>
\$ -	\$ 470	\$ -	\$ 5,858	\$ -	\$ 85,364
-	-	-	-	-	-
267,032	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>267,032</u>	<u>470</u>	<u>-</u>	<u>5,858</u>	<u>-</u>	<u>85,364</u>
-	-	-	-	-	49,660
-	-	-	-	-	-
-	-	-	-	-	10,496
-	-	-	771	-	998
-	-	-	-	-	17,228
-	-	-	-	-	17,958
-	-	-	-	-	11,916
-	-	-	-	-	11,431
-	-	-	-	-	-
269,905	-	-	-	-	-
<u>269,905</u>	<u>-</u>	<u>-</u>	<u>771</u>	<u>-</u>	<u>119,687</u>
-	-	-	-	-	-
(2,873)	470	-	5,087	-	(34,323)
47,544	4,927	492	50,689	800	147
<u>\$ 44,671</u>	<u>\$ 5,397</u>	<u>\$ 492</u>	<u>\$ 55,776</u>	<u>\$ 800</u>	<u>\$ (34,176)</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, 2008*

	<u>Data Communications</u>	<u>School Net Technology</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>Vocational Education</u>
<u>Revenues:</u>					
Intergovernmental	\$ 15,000	\$ 2,430	\$ -	\$ -	\$ 2,000
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Charges for services	-	-	-	-	-
Total revenues	<u>15,000</u>	<u>2,430</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	19,380	3,512	30	-	-
Special	-	-	-	-	-
Support services:					
Pupils	-	-	-	-	-
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	-
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>19,380</u>	<u>3,512</u>	<u>30</u>	<u>-</u>	<u>-</u>
<u>Other financing sources (uses):</u>					
Transfers in	-	-	-	-	-
Net change in fund balance	(4,380)	(1,082)	(30)	-	2,000
Fund balances (deficit) at beginning of year	<u>4,380</u>	<u>5,205</u>	<u>4,030</u>	<u>41,543</u>	<u>422</u>
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>\$ 4,123</u>	<u>\$ 4,000</u>	<u>\$ 41,543</u>	<u>\$ 2,422</u>

Miscellaneous State Grants	Migrant Program	Title VI-B	OWA Grant	Title I	Title VI
\$ 3,733	\$ 5,614	\$ 373,538	\$ -	\$ 130,053	\$ 2,368
1,824	-	-	-	-	-
1,832	-	-	-	-	-
350	-	-	-	-	-
-	-	-	-	-	-
<u>7,739</u>	<u>5,614</u>	<u>373,538</u>	<u>-</u>	<u>130,053</u>	<u>2,368</u>
-	-	-	-	-	-
-	6,969	373,538	-	116,453	-
-	-	-	-	-	3,816
4,412	-	-	-	-	-
-	-	-	-	-	-
-	500	-	-	-	-
-	-	-	-	-	-
3,833	-	-	-	-	-
-	-	-	-	-	-
<u>8,245</u>	<u>7,469</u>	<u>373,538</u>	<u>-</u>	<u>116,453</u>	<u>3,816</u>
-	-	-	-	-	-
(506)	(1,855)	-	-	13,600	(1,448)
4,763	76	(833)	965	(49,126)	-
<u>\$ 4,257</u>	<u>\$ (1,779)</u>	<u>\$ (833)</u>	<u>\$ 965</u>	<u>\$ (35,526)</u>	<u>\$ (1,448)</u>

(Continued)

Eastwood Local School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2008

	<u>Drug-Free Schools Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Reducing Class Size</u>	<u>Total Nonmajor Special Revenue Funds</u>
<u>Revenues:</u>				
Intergovernmental	\$ 6,184	\$ 1,176	\$ 52,905	\$ 884,351
Tuition and fees	-	-	-	82,612
Extracurricular activities	-	-	-	330,636
Gifts and donations	-	-	-	363
Charges for services	-	-	-	504,361
Total revenues	<u>6,184</u>	<u>1,176</u>	<u>52,905</u>	<u>1,802,323</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	1,600	29,513	235,929
Special	-	-	-	496,960
Support services:				
Pupils	6,028	-	-	20,340
Instructional staff	-	5,541	26,863	47,170
Administration	5,757	-	-	22,985
Fiscal	-	-	-	18,458
Operation and maintenance of plant	-	-	-	14,298
Pupil transportation	-	-	-	11,431
Operation of non-instructional services:	-	-	-	711,660
Extracurricular activities	-	-	-	269,905
Total expenditures	<u>11,785</u>	<u>7,141</u>	<u>56,376</u>	<u>1,849,136</u>
<u>Other financing sources (uses):</u>				
Transfers in	<u>4,347</u>	<u>-</u>	<u>-</u>	<u>24,826</u>
Net change in fund balance	(1,254)	(5,965)	(3,471)	(21,987)
Fund balances (deficit)				
at beginning of year, Restated	<u>(8,819)</u>	<u>5,957</u>	<u>-</u>	<u>114,189</u>
Fund balances (deficit) at end of year	<u><u>\$ (10,073)</u></u>	<u><u>\$ (8)</u></u>	<u><u>\$ (3,471)</u></u>	<u><u>\$ 92,202</u></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, 2008*

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 127,563	\$ 127,563	\$ -
Charges for services	504,193	504,193	-
Total revenues	631,756	631,756	-
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant	2,382	2,382	-
Operation of non-instructional services	649,929	649,929	-
Total expenditures	652,311	652,311	-
Excess of revenues over (under) expenditures	(20,555)	(20,555)	-
<u>Other financing sources (uses):</u>			
Transfers in	20,479	20,479	-
Net change in fund balance	(76)	(76)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	76	76	-
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, 2008*

Special Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	7,682	7,682	-
Gifts and donations	13	13	-
Total revenues	<u>\$ 7,695</u>	<u>\$ 7,695</u>	<u>\$ -</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	8,617	8,617	-
Net change in fund balance	(922)	(922)	-
Fund balance at beginning of year	4,919	4,919	-
Fund balance at end of year	<u>\$ 3,997</u>	<u>\$ 3,997</u>	<u>\$ -</u>

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 80,788	\$ 80,788	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	77,308	77,308	-
Net change in fund balance	3,480	3,480	-
Fund balance at beginning of year	22,862	22,862	-
Prior year encumbrances appropriated	550	550	-
Fund balance at end of year	<u>\$ 26,892</u>	<u>\$ 26,892</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, 2008*

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 45,906	\$ 45,906	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	52,542	52,541	1
Net change in fund balance	(6,636)	(6,635)	1
Fund balance at beginning of year	34,995	34,995	-
Prior year encumbrances appropriated	305	305	-
Fund balance at end of year	<u>\$ 28,664</u>	<u>\$ 28,665</u>	<u>\$ 1</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, 2008*

Martha Holden Jennings Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,124	\$ 2,124	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	4,424	4,424	-
Net change in fund balance	(2,300)	(2,300)	-
Fund balance at beginning of year	2,300	2,300	-
Prior year encumbrances appropriated	188	188	-
Fund balance at end of year	<u>\$ 188</u>	<u>\$ 188</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, 2008*

Student Athletics Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 267,160	\$ 267,161	\$ 1
<u>Expenditures:</u>			
Current:			
Extracurricular activities	284,453	284,453	-
Excess of revenues over (under) expenditures	(17,293)	(17,292)	1
<u>Other financing sources (uses):</u>			
Proceeds from sale of capital assets	1,253	1,253	-
Net change in fund balance	(16,040)	(16,039)	1
Fund balance at beginning of year	66,673	66,673	-
Prior year encumbrances appropriated	16,606	16,606	-
Fund balance at end of year	<u>\$ 67,239</u>	<u>\$ 67,240</u>	<u>\$ 1</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, 2008*

Post Secondary Education Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 470	\$ 470	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	470	470	-
Fund balance at beginning of year	4,927	4,927	-
Fund balance at end of year	<u>\$ 5,397</u>	<u>\$ 5,397</u>	<u>\$ -</u>

Teacher Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Fund balance at beginning of year	492	492	-
Fund balance at end of year	<u>\$ 492</u>	<u>\$ 492</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, 2008*

Educational Management Information Systems Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 5,858	\$ 5,858	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	771	771	-
Net change in fund balance	5,087	5,087	-
Fund balance at beginning of year	50,690	50,690	-
Fund balance at end of year	<u>\$ 55,777</u>	<u>\$ 55,777</u>	<u>\$ -</u>

Entry Year Programs Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	800	800	-
Fund balance at end of year	<u>\$ 800</u>	<u>\$ 800</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, 2008*

Public School Preschool Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 97,353	\$ 97,352	\$ (1)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	49,661	49,660	1
Support services:			
Pupils	10,496	10,496	-
Instructional staff	998	998	-
Administration	17,228	17,228	-
Fiscal	17,958	17,958	-
Operation and maintenance of plant	11,916	11,916	-
Pupil transportation	11,431	11,431	-
Total expenditures	119,688	119,687	1
Excess of revenues over (under) expenditures	(22,335)	(22,335)	-
<u>Other financing sources (uses):</u>			
Advances in	22,335	22,335	-
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, 2008*

Data Communications Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 15,000	\$ 15,000	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	20,079	20,079	-
Net change in fund balance	(5,079)	(5,079)	-
Fund balance at beginning of year	4,380	4,380	-
Prior year encumbrances appropriated	699	699	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Net Technology Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,430	\$ 2,430	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,512	3,512	-
Net change in fund balance	(1,082)	(1,082)	-
Fund balance at beginning of year	5,205	5,205	-
Fund balance at end of year	<u>\$ 4,123</u>	<u>\$ 4,123</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, 2008*

Ohio Reads Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	30	30	-
Net change in fund balance	(30)	(30)	-
Fund balance at beginning of year	4,030	4,030	-
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, 2008*

Summer Intervention Fund

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

Vocational Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 200	\$ 200	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	200	200	-
Fund balance at beginning of year	779	779	-
Fund balance at end of year	<u>\$ 979</u>	<u>\$ 979</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, 2008*

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 3,733	\$ 3,733	\$ -
Tuition and fees	1,824	1,824	-
Extracurricular activities	1,832	1,832	-
Gifts and donations	350	350	-
Total revenues	<u>7,739</u>	<u>7,739</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	5,911	5,911	-
Operation of non-instructional services	4,133	4,133	-
Total expenditures	<u>10,044</u>	<u>10,044</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(2,305)</u>	<u>(2,305)</u>	<u>-</u>
<u>Other financing sources (uses):</u>			
Advances out	(3,383)	(3,383)	-
Net change in fund balance	(5,688)	(5,688)	-
Fund balance at beginning of year	2,463	2,463	-
Prior year encumbrances appropriated	5,682	5,682	-
Fund balance at end of year	<u>\$ 2,457</u>	<u>\$ 2,457</u>	<u>\$ -</u>

Migrant Program Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 5,614	\$ 5,614	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	5,190	5,190	-
Support services:			
Fiscal	500	500	-
Total expenditures	<u>5,690</u>	<u>5,690</u>	<u>-</u>
Net change in fund balance	(76)	(76)	-
Fund balance at beginning of year	76	76	-
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, 2008*

Title VI-B Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 373,538	\$ 373,538	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	373,538	373,538	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

OWA Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
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, 2008*

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 130,053	\$ 130,053	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	125,664	125,664	-
Excess of revenues over (under) expenditures	4,389	4,389	-
<u>Other financing sources (uses):</u>			
Advances in	3,106	3,106	-
Advances out	(9,430)	(9,430)	-
Total other financing sources (uses)	(6,324)	(6,324)	-
Net change in fund balance	(1,935)	(1,935)	-
Fund balances at beginning of year	-	-	-
Prior year encumbrances appropriated	1,935	1,935	-
Fund balances 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, 2008*

Title VI Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,368	\$ 2,368	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	3,816	3,816	-
Excess of revenues over (under) expenditures	(1,448)	(1,448)	-
<u>Other financing sources (uses):</u>			
Advances in	1,448	1,448	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Drug-Free Schools Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 6,185	\$ 6,184	\$ (1)
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	4,774	4,774	-
Administration	5,758	5,757	1
Total expenditures	10,532	10,531	1
Excess of revenues over (under) expenditures	(4,347)	(4,347)	-
<u>Other financing sources (uses):</u>			
Transfers in	4,347	4,347	-
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, 2008*

Reducing Class Size Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 54,554	\$ 54,553	\$ (1)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	26,445	26,444	1
Support services:			
Instructional staff	26,863	26,863	-
Total expenditures	53,308	53,307	1
Excess of revenues over (under) expenditures	1,246	1,246	-
<u>Other financing sources (uses):</u>			
Advances in	402	402	-
Advances out	(1,648)	(1,648)	-
Total other financing sources (uses)	(1,246)	(1,246)	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Miscellaneous Federal Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,176	\$ 1,176	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,600	1,600	-
Support services:			
Instructional staff	5,542	5,542	-
Total expenditures	7,142	7,142	-
Excess of revenues over (under) expenditures	(5,966)	(5,966)	-
<u>Other financing sources (uses):</u>			
Advances in	8	8	-
Net change in fund balance	(5,958)	(5,958)	-
Fund balance at beginning of year	5,958	5,958	-
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, 2008*

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 459,037	\$ 459,037	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Administration	426	426	-
Fiscal	3,257	3,257	-
Debt service:			
Principal retirement	290,000	290,000	-
Interest and fiscal charges	154,740	154,740	-
Total expenditures	448,423	448,423	-
Net change in fund balance	10,614	10,614	-
Fund balance at beginning of year	102,241	102,241	-
Fund balance at end of year	\$ 112,855	\$ 112,855	\$ -

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, 2008*

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 232,347	\$ 232,347	\$ -
Gifts and donations	50	50	-
Total revenues	<u>232,397</u>	<u>232,397</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Administration	300	300	-
Fiscal	2,457	2,457	-
Operation and maintenance of plant	128,711	128,710	1
Pupil transportation	1,800	1,800	-
Capital outlay	4,057	4,057	-
Total expenditures	<u>137,325</u>	<u>137,324</u>	<u>1</u>
Excess of revenues over (under) expenditures	<u>95,072</u>	<u>95,073</u>	<u>1</u>
<u>Other financing sources (uses):</u>			
Advances out	<u>(6,474)</u>	<u>(6,474)</u>	<u>-</u>
Net change in fund balance	88,598	88,599	1
Fund balance at beginning of year	3,057	3,057	-
Fund balance at end of year	<u>\$ 91,655</u>	<u>\$ 91,656</u>	<u>\$ 1</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, 2008

Field Trips and Rotary Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Other revenues	\$ 25,158	\$ 25,158	\$ -
Operating Expenses:			
Other	26,861	26,861	-
Total operating expenses	26,861	26,861	-
Net change in fund equity	(1,703)	(1,703)	-
Fund equity at beginning of year	12,073	12,073	-
Fund equity at end of year	\$ 10,370	\$ 10,370	\$ -

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, 2008

	Beginning Balance July 1, 2008	Additions	Deductions	Ending Balance June 30, 2008
SERRC Center				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 15,497	\$ 952,885	\$ 968,370	\$ 12
Intergovernmental receivable	876,253	120,356	876,253	120,356
Prepaid items	2,001	-	2,001	-
Total assets	<u>\$ 893,751</u>	<u>\$ 1,073,241</u>	<u>\$ 1,846,624</u>	<u>\$ 120,368</u>
<u>Liabilities:</u>				
Accounts payable	\$ 3,668	\$ -	\$ 3,668	\$ -
Accrued wages	81,458	-	81,458	-
Due to general fund	778,691	-	658,323	120,368
Intergovernmental payable	13,847	890,929	904,776	-
Pension obligations payable	16,087	-	16,087	-
Undistributed monies	-	182,312	182,312	-
Total liabilities	<u>\$ 893,751</u>	<u>\$ 1,073,241</u>	<u>\$ 1,846,624</u>	<u>\$ 120,368</u>
Student Managed Activity				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	<u>\$ 58,903</u>	<u>\$ 138,528</u>	<u>\$ 145,481</u>	<u>\$ 51,950</u>
<u>Liabilities:</u>				
Accounts payable	\$ 1,075	\$ -	\$ 1,075	\$ -
Due to students	57,828	138,528	144,406	51,950
Total liabilities	<u>\$ 58,903</u>	<u>\$ 138,528</u>	<u>\$ 145,481</u>	<u>\$ 51,950</u>
Total All Agency Funds				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 74,400	\$ 1,091,413	\$ 1,113,851	\$ 51,962
Intergovernmental receivable	876,253	120,356	876,253	120,356
Prepaid items	2,001	-	2,001	-
Total assets	<u>\$ 952,654</u>	<u>\$ 1,211,769</u>	<u>\$ 1,992,105</u>	<u>\$ 172,318</u>
<u>Liabilities:</u>				
Accounts payable	\$ 4,743	\$ -	\$ 4,743	\$ -
Accrued wages	81,458	-	81,458	-
Due to general fund	778,691	-	658,323	120,368
Intergovernmental payable	13,847	890,929	904,776	-
Pension obligations payable	16,087	-	16,087	-
Undistributed monies	-	182,312	182,312	-
Due to students	57,828	138,528	144,406	51,950
Total liabilities	<u>\$ 952,654</u>	<u>\$ 1,211,769</u>	<u>\$ 1,992,105</u>	<u>\$ 172,318</u>

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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.	S2 - S8
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, the property tax.	S9 - S14
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.	S15 - S18
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.	S19 - S20
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.	S21 - S29

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 2003; schedules presenting government-wide information include information beginning in that fiscal year.

Eastwood Local School District

Net Assets by Component (1)

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Invested in capital assets, net of related debt	\$ (3,446,983)	\$ (3,524,498)	\$ 1,109,071	\$ 1,170,898	\$ 1,306,729	\$ 1,794,435
Restricted for:						
Budget stabilization	-	-	536,075	536,075	536,075	-
Set asides	-	-	-	-	-	39,368
Capital projects	79,789	164,248	103,048	-	34,215	129,682
Debt service	130,173	171,888	281,108	123,101	155,074	153,217
Other purposes	139,060	349,925	214,187	238,830	130,483	73,027
Unrestricted (deficit)	<u>1,687,830</u>	<u>1,665,194</u>	<u>904,080</u>	<u>458,742</u>	<u>1,348,651</u>	<u>2,864,490</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>	<u><u>\$ 3,511,227</u></u>	<u><u>\$ 5,054,219</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 Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses						
Instruction:						
Regular	\$ 6,257,688	\$ 6,537,624	\$ 6,995,831	\$ 7,333,012	\$ 7,074,299	\$ 7,193,057
Special	1,630,671	1,534,892	1,207,926	1,716,104	1,831,854	1,800,867
Vocational	137,467	168,500	177,313	159,214	160,906	164,737
Adult/continuing	-	27	55	53	53	55
Other	166,331	66,319	100,262	-	-	-
Support services:						
Pupil	522,895	514,181	501,140	552,413	482,778	469,866
Instructional staff	320,911	592,150	397,482	364,213	353,550	483,527
Board of education	38,277	40,148	49,213	19,010	76,907	24,772
Administration	1,253,963	1,171,218	1,064,825	1,425,964	1,254,662	1,271,689
Fiscal	347,820	400,261	373,289	405,780	421,846	451,267
Business	2,903	27	55	-	53	55
Operation and maintenance of plant	1,460,816	1,348,711	1,574,575	1,663,118	1,557,707	1,336,023
Pupil transportation	1,032,751	1,090,701	1,247,542	1,197,982	1,133,859	1,044,781
Central	1,890	679	1,386	1,357	1,353	1,402
Operation of non-instructional services	649,509	706,252	682,578	663,126	710,864	714,043
Extracurricular activities	512,277	437,178	442,206	473,818	511,328	525,644
Interest and fiscal charges	218,016	190,921	310,602	219,778	212,120	194,325
<i>Total expenses</i>	<u>14,554,185</u>	<u>14,799,789</u>	<u>15,126,280</u>	<u>16,194,942</u>	<u>15,784,139</u>	<u>15,676,110</u>
Program Revenues						
<i>Charges for services</i>						
Instruction:						
Regular	297,335	332,049	328,680	593,483	586,339	640,926
Special	-	207,531	-	-	-	-
Support services:						
Instructional staff	-	55,342	-	9,055	9,884	7,682
Administration	-	62,259	-	-	-	-
Fiscal	37,029	-	-	-	-	-
Operation and maintenance of plant	45,445	-	-	53,508	17,843	51,045
Operation of non-instructional services	454,949	470,381	437,786	496,439	494,945	506,064
Extracurricular activities	\$ 303,542	\$ 34,588	\$ 403,858	\$ 279,271	\$ 296,338	\$ 267,031

(Continued)

Eastwood Local School District

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

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating grants, contributions and interest						
Instruction:						
Regular	\$ 152,812	\$ 172,076	\$ 252,759	\$ 55,972	\$ 152,373	\$ 67,602
Special	-	43,019	178,680	517,734	523,506	493,112
Vocational	-	-	-	32,997	51,015	49,316
Support services:						
Pupils	-	-	32,408	29,460	10,483	14,629
Instructional staff	-	301,132	-	2,050	9,672	35,575
Administration	-	-	-	41,321	15,646	13,698
Fiscal	-	-	-	33,282	58,881	12,808
Operation and maintenance of plant	-	-	-	23,022	8,549	8,499
Pupil transportation	-	-	-	22,083	8,201	8,153
Central	-	-	-	6,076	6,909	-
Operation of non-instructional services	159,781	294,791	200,555	168,314	180,101	197,707
Extracurricular activities	-	258,114	-	143	-	-
Capital grants and contributions						
Support services:						
Pupil transportation	-	42,075	-	12,264	19,541	12,166
Total program revenues	1,450,893	2,273,357	1,834,726	2,376,474	2,450,226	2,386,013
Net expense	(13,103,292)	(12,526,432)	(13,291,554)	(13,818,468)	(13,333,913)	(13,290,097)
General revenues						
Property taxes levied for:						
General purposes	4,148,742	4,683,707	4,064,403	4,621,427	5,436,807	4,252,133
Debt services	460,180	481,687	492,905	375,945	482,838	445,526
Capital outlay	235,623	251,409	240,379	237,321	267,295	219,701
Income taxes levied for:						
General purposes	-	-	-	-	327,484	1,740,398
Grants and entitlements not						
restricted to specific programs	7,839,891	7,621,321	7,359,330	7,207,424	7,391,111	7,468,547
Investment earnings	229,635	117,709	127,029	166,309	209,557	220,776
Payment in lieu of taxes	-	-	500,000	500,000	500,000	480,000
Gain on sale of capital assets	-	-	1,900	-	-	-
Miscellaneous	133,400	104,469	156,253	90,119	22,094	6,008
Total general revenues	13,047,471	13,260,302	12,942,199	13,198,545	14,637,186	14,833,089
Change in net assets	\$ (55,821)	\$ 733,870	\$ (349,355)	\$ (619,923)	\$ 1,303,273	\$ 1,542,992

Source: School District financial records

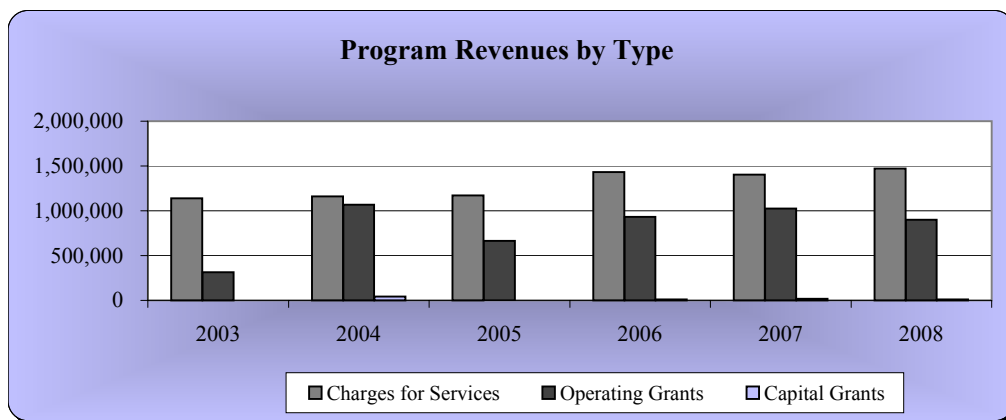
(1) Accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

Eastwood Local School District

Program Revenues of Governmental Activities by Function (1)

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:						
Instruction:						
Regular	\$ 450,147	\$ 519,236	\$ 581,439	\$ 649,455	\$ 738,712	\$ 708,528
Special	-	250,550	178,680	517,734	523,506	493,112
Vocational	-	-	-	32,997	51,015	49,316
Support services:						
Pupil	-	356,474	32,408	29,460	10,483	14,629
Instructional staff	-	-	-	11,105	19,556	43,257
Administration	-	62,259	-	41,321	15,646	13,698
Fiscal	37,029	-	-	33,282	58,881	12,808
Operation and maintenance of plant	45,445	26,964	-	76,530	26,392	59,544
Pupil transportation	-	-	-	34,347	27,742	20,319
Central	-	-	-	6,076	6,909	-
Operation of non-instructional services	614,730	765,172	638,341	664,753	675,046	703,771
Extracurricular activities	303,542	292,702	403,858	279,414	296,338	267,031
Total program revenues	<u>\$ 1,450,893</u>	<u>\$ 2,273,357</u>	<u>\$ 1,834,726</u>	<u>\$ 2,376,474</u>	<u>\$ 2,450,226</u>	<u>\$ 2,386,013</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

	1999	2000	2001	2002	2003
Revenues					
Property taxes	\$ 3,879,673	\$ 3,617,068	\$ 3,801,261	\$ 3,743,158	\$ 4,816,545
Payment in lieu of taxes	-	-	-	-	-
Income tax	-	-	-	-	-
Intergovernmental	1,597,965	1,772,208	1,700,615	1,749,469	8,075,177
Interest	106,860	140,627	146,475	55,335	229,635
Tuition and Fees	45,874	64,458	14,544	11,909	229,747
Extracurricular activities	-	-	-	-	341,574
Food Service	6,674	655	1,125	525	-
Rentals	-	-	-	-	-
Charges for services	2,689	1,495	27,050	28,145	1,493
Gifts and donations	-	-	-	-	-
Miscellaneous	22,474	25,733	18,594	24,062	96,173
<i>Total revenues</i>	<u>5,662,209</u>	<u>5,622,244</u>	<u>5,709,664</u>	<u>5,612,603</u>	<u>13,790,344</u>
Expenditures					
Current:					
Instruction:					
Regular	2,497,458	2,618,078	2,978,525	3,133,756	6,260,367
Special	329,803	401,305	443,584	503,086	1,629,253
Vocational	31,399	45,822	48,527	55,356	137,467
Other	-	-	-	-	166,286
Support services:					
Pupils	203,657	238,786	189,917	276,628	512,525
Instructional staff	164,614	173,014	141,977	156,446	299,973
Board of education	45,667	59,408	62,200	121,230	38,277
Administration	491,427	511,464	488,706	523,455	1,223,327
Fiscal	166,952	149,703	215,803	252,097	361,426
Business	-	-	2,131	1,435	2,868
Operation and maintenance of plant	588,920	589,718	705,558	676,810	1,501,170
Pupil transportation	382,934	497,518	407,046	570,849	971,042
Central	-	-	44,357	77,817	1,005
Operation of non-instructional services	-	-	-	-	7,633
Extracurricular activities	194,792	164,695	191,482	203,988	489,157
Capital outlay	-	-	-	-	346,563
Debt Service:					
Principal Retirement	-	16,862	-	-	235,000
Interest and fiscal charges	-	-	-	-	219,672
<i>Total expenditures</i>	<u>5,097,623</u>	<u>5,466,373</u>	<u>5,919,813</u>	<u>6,552,953</u>	<u>14,403,011</u>
Excess of revenues over (under) expenditures	<u>564,586</u>	<u>155,871</u>	<u>(210,149)</u>	<u>(940,350)</u>	<u>(612,667)</u>
Other financing sources (uses)					
Refund of prior year Expenditures	-	-	-	-	39,998
Proceeds from sale of long-term notes	-	620,759	-	-	250,000
Proceeds from sale of fixed assets	-	-	-	-	-
Inception of capital lease	-	-	-	-	-
Transfers In	23,705	-	25,430	45,330	-
Transfers Out	(23,705)	-	(25,430)	(45,330)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>620,759</u>	<u>-</u>	<u>-</u>	<u>289,998</u>
<i>Net change in fund balances</i>	<u>\$ 564,586</u>	<u>\$ 776,630</u>	<u>\$ (210,149)</u>	<u>\$ (940,350)</u>	<u>\$ (322,669)</u>
Debt service as a percentage of noncapital expenditures					
	0.0000%	0.3085%	0.0000%	0.0000%	3.2346%

Source: School District financial records

(1) Modified accrual basis of accounting.

2004	2005	2006	2007	2008
\$ 5,397,717	\$ 4,807,099	\$ 5,167,831	\$ 6,201,400	\$ 4,969,059
-	500,000	500,000	500,000	480,000
-	-	-	327,484	1,740,398
8,460,039	7,932,902	8,247,986	8,400,536	8,417,166
117,709	127,029	168,309	209,557	220,776
206,665	249,977	504,117	475,845	588,900
406,999	403,858	360,418	362,040	330,636
-	437,786	-	-	-
-	-	53,508	17,843	51,045
78,105	78,703	513,712	549,252	504,361
-	-	374	234	413
104,469	156,253	90,119	22,094	5,958
<u>14,771,703</u>	<u>14,693,607</u>	<u>15,606,374</u>	<u>17,066,285</u>	<u>17,308,712</u>

6,523,225	6,756,237	7,144,160	6,991,729	7,071,313
1,480,498	1,248,357	1,715,459	1,831,712	1,794,772
165,113	145,490	157,079	158,702	164,204
66,959	101,619	-	-	-
477,376	518,485	549,860	480,120	462,396
570,814	381,418	328,722	330,639	456,528
40,104	49,213	19,010	76,907	24,772
1,149,151	1,106,676	1,406,829	1,238,979	1,266,126
390,316	412,897	405,727	420,677	432,449
-	-	-	-	-
1,339,064	2,031,800	1,655,120	1,507,872	1,350,914
1,053,228	1,177,531	1,164,096	1,074,874	982,039
-	-	-	-	-
7,232	680,698	668,149	706,751	711,660
415,785	436,865	468,582	506,107	520,354
5,757	2,694	-	204,300	207,858
495,000	255,000	270,000	313,266	314,954
207,571	188,905	178,270	183,503	163,062
<u>14,387,193</u>	<u>15,493,885</u>	<u>16,131,063</u>	<u>16,026,138</u>	<u>15,923,401</u>
<u>384,510</u>	<u>(800,278)</u>	<u>(524,689)</u>	<u>1,040,147</u>	<u>1,385,311</u>

-	-	-	-	-
-	-	-	-	-
-	1,900	-	-	-
-	-	-	132,000	-
250,000	27,152	-	42,841	24,826
<u>(250,000)</u>	<u>(27,152)</u>	<u>-</u>	<u>(42,841)</u>	<u>(24,826)</u>
-	1,900	-	132,000	-
<u>\$ 384,510</u>	<u>\$ (798,378)</u>	<u>\$ (524,689)</u>	<u>\$ 1,172,147</u>	<u>\$ 1,385,311</u>

4.8853%	2.8655%	2.7789%	3.1398%	3.0417%
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Eastwood Local School District

Fund Balances, Governmental Funds (1)

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund						
Reserved	\$ 1,049,436	\$ 1,178,814	\$ 1,469,309	\$ 1,095,905	\$ 1,633,440	\$ 1,043,800
Unreserved	<u>1,637,582</u>	<u>1,596,048</u>	<u>328,821</u>	<u>313,615</u>	<u>1,025,038</u>	<u>2,924,598</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>	<u>2,658,478</u>	<u>3,968,398</u>
All other governmental funds						
Reserved	196,616	267,266	315,829	63,255	119,980	104,110
Unreserved, undesignated, Reported in:						
Special revenue funds	107,707	266,066	115,857	254,630	96,148	81,723
Debt service funds	-	-	5,082	113,480	102,241	112,855
Capital projects funds	<u>23,451</u>	<u>91,108</u>	<u>16,606</u>	<u>(50,153)</u>	<u>(13,968)</u>	<u>81,104</u>
Total all other governmental funds	<u>327,774</u>	<u>624,440</u>	<u>453,374</u>	<u>381,212</u>	<u>304,401</u>	<u>379,792</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>	<u>\$ 2,962,879</u>	<u>\$ 4,348,190</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			Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	Ratio	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
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%	\$ 45.25
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%	44.70
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%	44.70
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%	44.70
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%	44.70
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%	44.70
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%	43.80
2006	157,328,440	16,854,590	497,665,800	13,311,790	15,308,650	8,809,163	35,236,652	196,303,983	548,211,102	35.81%	43.80
2007	159,374,270	17,471,850	505,274,629	14,220,020	16,353,121	6,273,006	25,092,024	197,339,146	546,719,774	36.10%	40.05
2008	161,128,070	18,027,460	511,872,943	12,625,400	14,519,297	2,468,244	9,872,976	194,249,174	536,265,216	36.22%	40.20

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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. General business inventory 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
2008	\$ 40.20	\$ 14.90	\$ 1.80	\$ 6.50	\$ 5.80	\$ 8.00	\$ 11.20	\$ 6.90	\$ 14.60	\$ 7.40	\$ 5.50	\$ 2.00	\$ 3.20
2007	40.05	14.90	1.80	6.50	5.80	8.00	11.20	6.90	14.60	7.40	5.50	2.00	3.20
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

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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 (1)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Delinquent Taxes Receivable
2008	\$ 7,700,485	\$ 5,651,915	73.40%	\$ 127,440	\$ 5,779,355	75.05%	\$ 1,921,130
2007	7,651,728	5,030,251	65.74	111,142	5,141,393	67.19	2,510,335
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)

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 2008 information cannot be presented because all collections have not been made by June 30, 2008.

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

Eastwood Local School District

Principal Taxpayers

Real Estate Tax

2008 and 2003 (1)

Name of Taxpayer	2008			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	0.90%	\$ 1,696,000	1	1.15%
Otterbein Homes	1,721,650	2	0.96%	1,510,140	2	1.02%
Modine Manufacturing Co.	1,402,070	3	0.78%	1,281,740	3	0.87%
USF Holland Inc.	1,048,080	4	0.59%	882,010	4	0.60%
CTE Ltd	974,430	5	0.54%	-		0.00%
East Ohio Gas Co.	514,450	6	0.29%	-		0.00%
Pemberville Warehouse	444,190	7	0.25%	-		0.00%
Troy Energy Llc	441,120	8	0.25%	-		0.00%
Briggs, Thomas & Lou Ann	372,820	9	0.21%	-		0.00%
Bechstein Loren J Trustee & Ellen J Trustee	<u>354,720</u>	10	<u>0.20%</u>	<u>-</u>		<u>0.00%</u>
Totals	<u>\$ 8,877,060</u>		<u>4.95%</u>	<u>\$ 5,369,890</u>		<u>3.63%</u>
Total assessed valuation	<u>\$ 179,155,530</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 2008 and 2003 collections were based.

(2) Information prior to 2003 is not available.

Eastwood Local School District

Principal Taxpayers

Tangible Personal Property Tax

2008 and 2003(1)

<u>Name of Taxpayer</u>	<u>2008</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>
Principle Business Ent.	\$ 833,570	1	33.77%	\$ 1,601,850	2	10.62%
Modine Manufacturing Co.	336,770	2	13.64%	2,025,570	1	13.42%
Rouen Group Inc.	264,114	3	10.70%	1,545,680	3	10.24%
Hirzel Canning Company	152,964	4	6.20%	1,165,310	4	7.72%
Universal Metal Products	397,740	5	16.11%	851,830	5	5.65%
Blanko Industries Inc.	115,591	6	4.68%	814,050	6	5.40%
Nollenberger Truck Center	114,219	7	4.63%	808,770	7	5.36%
Helena Chemical Company	82,271	8	3.33%	-		0.00%
Tire Centers LLC	73,966	9	3.00%	-		0.00%
Cantwell Machinery Co.	<u>72,982</u>	10	<u>2.96%</u>	<u>-</u>		<u>0.00%</u>
Totals	<u>\$ 2,444,187</u>		<u>99.03%</u>	<u>\$ 8,813,060</u>		<u>58.41%</u>
Total assessed valuation	<u>\$ 2,468,244</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 2008 and 2003 collections were based.

(2) Information prior to 2003 is not available.

Eastwood Local School District

Principal Taxpayers

Public Utilities Tax

2008 and 2003 (1)

Name of Taxpayer	<u>2008</u>			<u>2003 (2)</u>		
	Assessed <u>Value</u>	<u>Rank</u>	Percent of Public Utility <u>Assessed Value</u>	Assessed <u>Value</u>	<u>Rank</u>	Percent of Public Utility <u>Assessed Value</u>
Toledo Edison	\$ 5,674,280	1	44.94%	\$ 4,587,280	1	27.91%
American Transmission	3,658,300	2	28.98%	4,089,590	2	24.89%
Columbia Gas Co.	894,290	3	7.08%	601,940	6	3.66%
Ohio Power	518,590	4	4.11%	431,110	10	2.62%
Marathon Ashland Pipeline	480,940	5	3.81%	-		0.00%
Mid Valley Pipeline	457,900	6	3.63%	539,280	8	3.28%
East Ohio Gas Co.	448,870	7	3.56%	560,510	7	3.41%
United Telephone	-	8	0.00%	871,650	4	5.30%
CSX Railroad	-	9	0.00%	757,650	5	4.61%
Troy Energy Llc	-	10	0.00%	-		0.00%
Totals	<u>\$ 12,133,170</u>		<u>96.10%</u>	<u>\$ 12,439,010</u>		<u>75.69%</u>
Total assessed valuation	<u>\$ 12,625,400</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 2008 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

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Bonded Debt				
			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
1999	9,124 a	\$ 358,095,385	\$ 5,449,692	\$ 164,441	\$ 5,285,251	1.48%	\$ 579.27
2000	9,124 a	457,481,623	5,244,692	164,996	5,079,696	1.11%	556.74
2001	9,213 b	469,060,573	5,024,692	385,943	4,638,749	0.99%	503.50
2002	9,213 b	471,960,744	4,804,692	141,938	4,662,754	0.99%	506.11
2003	9,213 b	501,393,385	4,574,962	142,252	4,432,710	0.88%	481.14
2004	9,213 b	506,276,423	4,329,692	166,356	4,163,336	0.82%	451.90
2005	9,213 b	510,223,607	4,318,162	16,606	4,301,556	0.84%	466.90
2006	9,213 b	548,211,102	3,953,503	113,480	3,840,023	0.70%	416.80
2007	9,213 b	546,719,774	3,703,099	102,241	3,600,858	0.66%	390.85
2008	9,213 b	536,265,216	3,445,402	112,855	3,332,547	0.62%	361.72

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>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Tax Valuation	<u>\$ 134,452,102</u>	<u>\$ 168,812,942</u>	<u>\$ 171,643,533</u>	<u>\$ 169,656,200</u>	<u>\$ 179,349,585</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>12,100,689</u>	<u>15,193,165</u>	<u>15,447,918</u>	<u>15,269,058</u>	<u>16,141,463</u>
Amount of Debt Applicable to Debt Limit					
1999 H. S. Addition and Renovation Bonds	5,449,692	5,244,692	5,024,692	4,804,692	4,574,692
Energy Conservation Bonds	-	-	-	-	-
Less Amount Available in Debt Service	<u>(164,441)</u>	<u>(164,996)</u>	<u>(385,943)</u>	<u>(141,938)</u>	<u>(142,252)</u>
Amount of Debt Subject to Limit	<u>5,285,251</u>	<u>5,079,696</u>	<u>4,638,749</u>	<u>4,662,754</u>	<u>4,432,440</u>
Legal Debt Margin	<u>\$ 6,815,438</u>	<u>\$ 10,113,469</u>	<u>\$ 10,809,169</u>	<u>\$ 10,606,304</u>	<u>\$ 11,709,023</u>
Legal Debt Margin as a Percentage of the Debt Limit	56.32%	66.57%	69.97%	69.46%	72.54%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 134,452	\$ 168,813	\$ 171,644	\$ 169,656	\$ 179,350
Amount of Debt Subject to Limit	<u>164,441</u>	<u>164,996</u>	<u>385,943</u>	<u>141,938</u>	<u>142,381</u>
Unvoted Legal Debt Margin	<u>\$ 298,893</u>	<u>\$ 333,809</u>	<u>\$ 557,587</u>	<u>\$ 311,594</u>	<u>\$ 321,731</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	222.30%	197.74%	324.85%	183.66%	179.39%

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>\$ 181,616,917</u>	<u>\$ 182,921,837</u>	<u>\$ 196,303,983</u>	<u>\$ 197,339,146</u>	<u>\$ 194,249,174</u>
<u>16,345,523</u>	<u>16,462,965</u>	<u>17,667,358</u>	<u>17,760,523</u>	<u>17,482,426</u>
4,329,692	4,318,162	3,563,503	3,438,099	3,310,402
-	-	390,000	265,000	135,000
<u>(166,356)</u>	<u>(16,606)</u>	<u>(113,480)</u>	<u>(102,241)</u>	<u>(112,855)</u>
<u>4,163,336</u>	<u>4,301,556</u>	<u>3,840,023</u>	<u>3,600,858</u>	<u>3,332,547</u>
<u>\$ 12,182,187</u>	<u>\$ 12,161,409</u>	<u>\$ 13,827,335</u>	<u>\$ 14,159,665</u>	<u>\$ 14,149,879</u>
74.53%	73.87%	78.26%	79.73%	80.94%
\$ 181,617	\$ 182,922	\$ 196,304	\$ 197,339	\$ 194,249
<u>166,356</u>	<u>16,606</u>	<u>113,480</u>	<u>102,241</u>	<u>112,855</u>
<u>\$ 347,973</u>	<u>\$ 199,528</u>	<u>\$ 309,784</u>	<u>\$ 299,580</u>	<u>\$ 307,104</u>
191.60%	109.08%	157.81%	151.81%	158.10%

Eastwood Local School District
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2008

	Debt Attributable to Governmental Activities (1)	Percentage Applicable to School District (2)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes Wood County	<u>\$ 8,355,849</u>	6.92%	<u>\$ 578,225</u>
Direct Debt	<u>3,445,402</u>	100.00%	<u>3,445,402</u>
Total Direct and Overlapping Debt	<u><u>\$ 11,801,251</u></u>		<u><u>\$ 4,023,627</u></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, 2008.

(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 2008 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)
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	191,661,285	20,803	5.40%
2006	9,213	95,218	208,138,246	22,592	5.40%
2007	9,213	121,065	n/a (4)	n/a (4)	5.50%
2008	9,213	121,065	n/a (4)	n/a (4)	6.60%

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 Seven Years Ago (1)

Employer	Nature of Business	2008	2002
		Number of Employees	Number of Employees
Bowling Green State University	Education	5,400	6,432
Chrysler Holdings LLC	Automotive	3,854	-
Owens Community College	Education	1,850	1,650
Wood County	Government	1,219	-
YMCA of Greater Toledo	Organization	1,082	1,227
Walgreen's Distribution Center	Distribution	875	-
Wood County Hospital	Medical Facility	750	-
Owen's-Illinois, Inc. (HQ)	Glass Manufacturing	746	-
Cooper Standard Auto Group	Hose, tubing and seals	679	1,129
First Solar LLC	Solar Cell Manufacturing	600	-
CSX Corporation	Transportation	-	800
Sky Bank	Financial Institution	-	650
NFO Research	Market Research	-	610
Great Lakes Windows	Window Manufacturer	-	576
Norplas, Inc.	Assemblies	-	520
Rudolph-Libbe Companies	General Contractor	-	407
Total		<u>17,055</u>	<u>14,001</u>

Total employment within the School District

Source: Toledo Regional Chamber of Commerce

(1) Information prior to 2002 is not available.

Eastwood Local School District

School District Employees by Function/Program

Last Five Fiscal Years

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Regular instruction					
Elementary classroom teachers	79	80	83	69	69
High school classroom teachers	25	26	27	29	29
Special instruction					
Elementary classroom teachers	2	2	2	2	2
High school classroom teachers	9	10	10	10	10
Vocational instruction					
High school classroom teachers	1	1	1	1	1
Pupil support services					
Remedial Specialist	2	2	2	2	2
Educational Services Teacher	5	6	6	6	6
Tutor/Small Group Instructor	1	1	1	1	1
Guidance counselors	1	1	4	4	4
Librarians	2	1	1	1	1
Psychologists	1	1	1	1	1
Speech and language pathologists	1	1	1	1	1
Administrators					
Superintendent	1	1	1	1	1
Treasurer	1	1	1	1	1
Coordinator	1	1	1	1	1
Elementary Principal	4	4	4	4	4
High school Principal	2	2	2	2	2
Operation of plant					
Custodians	5	5	5	5	5
Maintenance	2	2	2	2	2
Pupil transportation					
Bus drivers	12	12	12	12	12
Food service program					
Elementary cooks	5	5	5	5	5
High school cooks	5	5	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>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</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	599	619	620	626	645	642	646	620	608	633
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	466	473	470	455	455	462	427	438	441	438
Student capacity	600	600	600	600	600	600	600	600	600	600
Lemoyne Elementary School (Sold in 2008)										
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	n/a
Enrollment grades PK-3	98	95	91	80	75	80	71	61	61	n/a
Student capacity	200	200	200	200	200	200	200	200	200	n/a
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	229	210	210	190	194	190	205	207	195	267
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	292	285	277	267	261	267	274	251	238	275
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	201	192	195	195	194	195	177	172	151	194
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

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Change	Teaching Staff	Pupil/Teacher Ratio
1999	\$ 11,163,234	1,886	\$ 5,919	\$1,886	n/a	n/a
2000	11,748,106	1,874	6,269	1,874	n/a	n/a
2001	12,590,154	1,863	6,758	1,863	94	19.8
2002	13,132,892	1,823	7,204	1,823	98	18.6
2003	14,554,185	1,822	7,988	1,822	94	19.4
2004	14,799,789	1,836	8,061	1,836	94	19.5
2005	15,004,583	1,799	8,341	1,799	93	19.3
2006	16,194,942	1,750	9,254	1,750	101	17.3
2007	15,784,139	1,694	9,318	1,694	96	17.6
2008	15,676,110	1,688	9,287	\$1,688	96	17.6

Source: School District Records.

Eastwood Local School District

Teachers' Salaries

Last Ten Fiscal Years

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Districts	Statewide Average Salary (3)
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
2007	30,157	63,330	52,204	53,534
2008	30,911	71,188	46,419	53,410

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 Five Fiscal Years

<u>Degree</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Bachelor's Degree	93.30	97.00	90.10	98.00	98.00
Master's Degree	67.80	73.00	69.60	79.00	83.00
Total	<u>161.10</u>	<u>170.00</u>	<u>159.70</u>	<u>177.00</u>	<u>181.00</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/ Middle School</u>	<u>Eastwood High School</u>	<u>Total</u>
1999	1,286	599	1,885
2000	1,255	619	1,874
2001	1,243	620	1,863
2002	1,187	626	1,813
2003	1,179	645	1,824
2004	1,194	642	1,836
2005	1,154	646	1,800
2006	1,129	620	1,749
2007	1,086	608	1,694
2008	1,073	615	1,688

Source: Ohio Department of Education.

Eastwood Local School District

Nutritional Services - Facts and Figures

Last Ten Fiscal Years

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Average Daily Membership	1570	1590	1719	1758	1810	1869	1827	1736	1820
Total Students Eligible for free Lunch	164	180	189	177	164	138	167	155	129
Participation Percent	10%	11%	11%	10%	9%	7%	9%	9%	7%
Total Students Eligible for Reduced Lunch	116	101	107	96	119	126	88	87	105
Participation Percent	7%	6%	6%	5%	7%	7%	5%	5%	6%
Total Both Plans	<u>280</u>	<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.

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>
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
2007	19.20	19.60
2008	18.80	18.60

Source: Ohio Department of Education.

Eastwood Local School District

Attendance and Graduation Rates

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Eastwood LSD Attendance Rate</u>	<u>State Average</u>	<u>Eastwood LSD Graduation Rate</u>	<u>State Average</u>
1999	96.10%	93.50%	92.60%	80.60%
2000	96.30%	93.60%	93.20%	80.60%
2001	95.80%	93.90%	92.20%	81.10%
2002	96.40%	94.30%	92.70%	82.70%
2003	96.60%	94.50%	100.00%	84.30%
2004	96.30%	94.50%	96.20%	85.90%
2005	96.50%	94.30%	94.40%	86.20%
2006	96.50%	94.10%	98.80%	86.10%
2007	96.20%	94.10%	98.70%	86.90%
2008	96.20%	94.20%	n/a	n/a

Source: Ohio Department of Education Local Report Cards.

n/a - information is not available at this time.

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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
DECEMBER 24, 2008**