

EASTWOOD LOCAL SCHOOL DISTRICT

Audit Report

For the Year Ended June 30, 2004

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants



**Auditor of State
Betty Montgomery**

Board of Education
Eastwood Local School District
4800 Sugar Rdg Rd.
Pemberville, OH 43450

We have reviewed the *Report of Independent Accountants* of the Eastwood Local School District, Wood County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2003 through June 30, 2004. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

May 18, 2005

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EASTWOOD LOCAL SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2004

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**OPINION ON SUPPLEMENTARY SCHEDULE
OF FEDERAL AWARDS EXPENDITURES**

**Board of Education
Eastwood Local School District
Pemberville, Ohio**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Eastwood Local School District (the District) as of and for the year ended June 30, 2004, and have issued our report thereon dated January 28, 2005. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 conducted in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Eastwood Local School District taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget, Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
January 28, 2005

EASTWOOD LOCAL SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2004

Federal Grantor/Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
<u><i>U.S. Department of Agriculture</i></u>				
Passed Through the Ohio Department of Education				
Nutrition Cluster:				
Food Distribution - Commodities - See Note 2	N/A	10.550	\$ 86,732	\$ 86,732
National School Lunch Program	50674-04-PU-04	10.555	92,934	92,934
Total Nutrition Cluster			179,666	179,666
Total U.S. Department of Agriculture			179,666	179,666
<u><i>U.S. Department of Education</i></u>				
Pass through Ohio Department of Education				
Title I - Financial Assistance to Meet Special Education Needs of Disadvantaged Children				
Title I - FY 03	50674-C1-S1-03	84.010	39,719	40,052
Title I - FY 04	50674-C1-S1-04	84.010	120,283	117,304
Total Title I			160,002	157,356
Special Education Cluster				
Special Education Grants to States (IDEA Part B)	47183-6B-SF-04P	84.027	1,246,629	1,268,627
Special Education Grants to States (IDEA Part B)	47183-6B-SF-03P	84.027	626,505	702,682
Get It, Got It, Go Assessment	050674-PGD4-04P	84.173	245,219	2,815
Total Special Education Cluster			2,118,353	1,974,124
Drug - Free School Grant				
Drug - Free School Grant - FY03	50674-DR-S1-03	84.186	1,620	1,620
Drug - Free School Grant - FY04	50674-DR-S1-04	84.186	6,850	6,850
Tech Infusion Project	50674-DR-S1-04	84.186	1,091	1,091
Miscellaneous Federal Grants	050674-TJS1-04	84.186	2,838	2,838
Total Drug - Free School Grant			12,399	12,399
Innovative Education Program Strategies				
Innovative Education Program Strategies - FY04	50674-C2-S1-04	84.298	10,066	10,066
Total Innovative Education Program Strategies			10,066	10,066
Reducing Class Size				
Reducing Class Size - FY04	50674-CR-S1-04	84.340	43,589	25,361
Improving Teaching Quality - FY04	50674-CR-S1-04	84.340	45,820	45,820
Total Reducing Class Size			89,409	71,181
Migrant Grant				
Migrant Grant - FY03	50674-MS-S1-03	84.011	4,592	4,592
Migrant Grant - FY04	50674-MS-S1-04	84.011	5,600	5,600
Total Migrant Grant			10,192	10,192
Total U.S. Department of Education			2,400,421	2,235,318
Total Federal Expenditures			<u>\$ 2,580,087</u>	<u>\$ 2,414,984</u>

See accompanying Notes to the Schedule of Federal Awards Expenditures

EASTWOOD LOCAL SCHOOL DISTRICT
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2004

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the 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 the obligation is incurred.

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, 2004, the District had food commodities in inventory recorded in the Enterprise Fund.

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 funds is not included on this schedule.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 business-type activities, each major fund, and the aggregate remaining fund information of the Eastwood Local School District (the District) as of and for the year ended June 30, 2004 which collectively comprises the District's basic financial statements and have issued our report thereon dated January 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated January 28, 2005.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the District in a separate letter dated January 28, 2005.

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

Charles E. Harris & Associates, Inc.
January 28, 2005

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND 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 (the District) 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 programs for the year ended June 30, 2004. The District's major federal program cluster 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 cluster is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program cluster for the year ended June 30, 2004.

Internal Control Over Compliance

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

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

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

Charles E. Harris & Associates, Inc.
January 28, 2005

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**EASTWOOD LOCAL SCHOOL DISTRICT
WOOD COUNTY
June 30, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Special Education Cluster: Spec. Ed. Grants to States CFDA# 84.027 Get it, Got it, Go CFDA# 84.173
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

EASTWOOD LOCAL SCHOOL DISTRICT
WOOD COUNTY
June 30, 2004

**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.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of June 30, 2003, did not include material citations or recommendations.

Eastwood Local School District, Ohio

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2004



Issued by:
Dave R. Michel, Treasurer
Treasurer's Office

Eastwood Local School District, Ohio

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2004

Issued by:
Dave R. Michel, Treasurer
Treasurer's Office

INTRODUCTORY SECTION

Eastwood Local School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2004

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Eastwood Local School District
Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
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William G. McFarland
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David R. Michel
Treasurer
(419) 833-6421

January 28, 2005

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, 2004. This CAFR includes an opinion from Charles E. Harris and Associates, 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.

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

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and Organizational Chart of the District.
2. The Financial Section which begins with the Report of Independent Accountants and includes the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents social and economic data, financial trends and fiscal capacity of the District.

The School District

Eastwood Local School District is located in northwestern Ohio, approximately 29 miles south of Toledo. The 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 100,000 reside in surrounding Wood County. When Eastwood was established as a rural community, the pioneers, who mainly came from Germany, modeled their new existence after their heritage. The settlers showed the importance they attached to common school education from which they had received so much benefit. They implemented voluntary associations for district schools wherever a sufficient number of youths and children could be gathered. Classes were held in homes, and schoolhouses were built before any legal organizations were affected. The townships were geographically scattered, and because travel was restrictive, the pioneers created several small primary grade schools in each township and village for the local students. In 1959, Eastwood High School was built in the center of the 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 District consists of one high school, one middle school, four elementary schools, one administration, SERCC center building, and one garage.

Eastwood School District is one of the 612 school districts in the State of Ohio. The District provides education to 1,902 students in grade K-12, including special education services to 230 students.

Statutorily, the 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 purchasing pool. These organizations are the MAVCA Computer Association, the Penta County Joint Vocational School and the Ohio School Boards Association Worker's Compensation Group Rating Program. These organizations are presented in Notes 14 and 15 to the basic financial statements.

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

Economic Condition and Outlook

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

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 District anticipates the assessed valuations to increase every year. For calendar year 2004, the District's assessed valuation was \$181,616,917 and for calendar year 2003 it was \$179,349,585.

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 have been extremely supportive of operating levies. This was evident in November of 2001, as voters approved a 5-year operating levy of 8.9 mills. Voters in the District have approved continuing tax levies of 14.4 mills, 6.5 mills, and 6.0 mills in 1977, 1979, and 1997, respectively.

Of the School District's general fund operations, 36.5 percent of the general fund revenue comes from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 57.4 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings are .8 percent and other revenues are .8 percent.

The School District maintains a strategic fiscal plan, which incorporates the State required five-year plan. The current long-term fiscal plan reflects a negative cash balance during the 2004 fiscal year. The School District has a long history of local support. Continued voter support, and a healthy tax base are crucial to the long-term financial health of the School District.

Major Initiatives

The Eastwood Local District is excited about the future. Voters approved a 8.9 mill operating levy in November of 2001. With the success of this issue, the District will be able to accomplish a number of initiatives in the area of curriculum development, programming, and student services. Our Strategic Planning was initiated in September 1992 and is continually being updated every few years. In recent years we have expanded to incorporate strategic planning to the building level.

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

Specifically:

- Fiscal Responsibility
- Passing Levies
- Troy Energy Donation Allocation of Funds
- Preventive Maintenance Schedules
- Inventory Maintenance Controls
- Development of Transportation Plans
- Long Range Facilities Needs
- Marketing to Business Sector
- Improve Web Sites
- Internal and External Communications
- Result Driven Student School Performance
- Quality Monitoring Program Student Performance thru Data Analysis Staff Training
- Improve Computer Software and Hardware Skills
- Improving Gifted/Talented Programs
- State Proficiencies
- Extended School Day Intervention – Short Term Reading
- Scheduling Options for Student Achievements

Outlook for the Future

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

Guiding the way will be the School District's Strategic Plan. Initially developed in 1989 with input from more than 200 people, including parents, volunteers, students, school administrators, teachers, classified staff members, representatives from business, industry and the community at large, the plan provides the framework to move the District into the 21st century. Many of the initiatives for this school year are outgrowths of our Strategic Plan. Specific initiatives for 2003-04 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 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 and account groups utilized by Eastwood Local Schools are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Financial Condition

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

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered 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 new 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 2004. 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 \$12,386 at June 30, 2004 compared with net assets of \$11,746 at June 30, 2003, reflecting a net gain of \$640.

Financial Highlights – Fiduciary Funds

The agency funds on the financial records of the School District are related to the SERCC Center and Student Activities. The SERCC Fund deals with education of school personnel on special education issues that has assets totaling \$753,587 at June 30, 2004. The Student Activities Fund is set up to provide additional reading materials to the various schools libraries in the District and has net assets totaling \$45,752 at June 30, 2004.

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, 2004 was \$117,709 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 maintains general liability insurance, professional liability insurance, fleet insurance, and insurance on buildings and contents with Westfield Companies and Indiana Insurance Company.

Pension Plans

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

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Charles E. Harris & Associates, Inc., was selected to render an opinion on the School District's financial statements for the year ended June 30, 2004. 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 “Effective” 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 District for its fiscal year ended June 30, 2003 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, John Phillips, Vice-President, and Liping Huang, Senior Auditor. They provided quality assistance in a most professional manner. Assistance from the Wood County Auditor’s Office staff, specifically Irma L. Wolf, 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 horizontal line above it.

David Michel, MBA
Treasurer

EASTWOOD LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2004

ELECTED OFFICIALS

<u>BOARD OF EDUCATION</u>	<u>TITLE</u>	<u>TERM OF EXPIRATION</u>	<u>SURETY</u>
Denis Helm	President	1/1/02 - 12/31/05	(A)
Betty Kahlenberg	Vice-President	1/1/02 - 12/31/05	(A)
David Becker	Member	1/1/02 - 12/31/05	(A)
Tim Meyer	Member	1/1/04 - 12/31/07	(A)
Robert Kuhlman	Member	1/1/04 - 12/31/07	(A)

APPOINTED OFFICIALS

David Michel, MBA	Treasurer	1/1/01-12/31/05	(B)
William G. McFarland	Superintendent	8/1/01-07/31/06	(A)

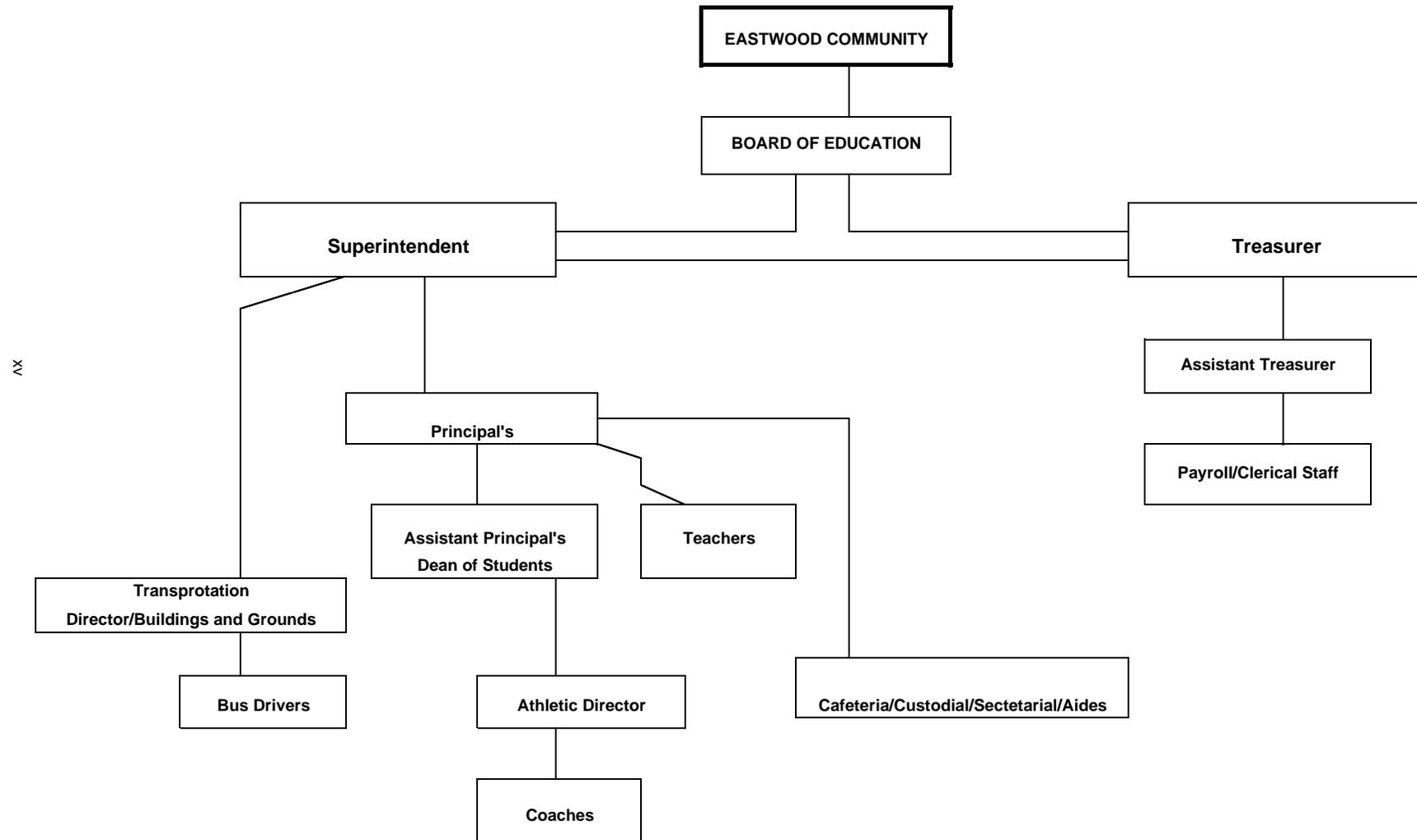
(A) Nationwide Mutual Insurance Company in the amount of \$20,000.

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

Eastwood Local School District

Organizational Chart

June 30, 2004



X

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, 2003

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



Nancy L. Zjelle

President

Jeffrey R. Emswiler

Executive Director

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FINANCIAL SECTION

Charles E. Harris & Associates, Inc.
Certified Public Accountants

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

REPORT OF INDEPENDENT ACCOUNTANTS

**Board of Education
Eastwood Local School District
Pemberville, Ohio**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Eastwood Local School District (the District), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2004, 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 ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3 through 14 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 supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2005 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements, and statistical tables 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 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 section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express not opinion on them.

Charles E. Harris & Associates, Inc.
January 28, 2005

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

The discussion and analysis of Eastwood Local School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the 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 District's financial performance.

Financial Highlights

- For governmental activities, net assets increased by \$760,988, which represents over a 100 percent increase from 2003. Net assets of business-type related activities decreased \$27,118 or 23 percent from 2003.
- General revenues accounted for \$13.3 million in revenue or 89.3 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1.6 million or 10.7 percent of total governmental revenues of \$14.9 million.
- The School District had \$14.1 million in expenses related to governmental activities; only \$1.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13.3 million were adequate to provide for these programs.
- Among major funds, the general fund had \$12.7 million in revenues and \$12.6 million in expenditures. The general fund's fund balance increased \$88 thousand from \$2.69 million.
- Net assets for enterprise funds decreased to negative \$144 thousand from negative \$117 thousand. Total enterprise expenditures were \$706 thousand; only \$679 thousand of these expenses were offset by program specific charges for services, grants or contributions.

Overview of the Financial Statements

The discussion and analysis and analysis are intended to serve as an introduction to the District's basic financial statements. The District's financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

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

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned by unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include instruction, support services, operation of non-instructional services, and extracurricular activities. The business-type activities of the District include food service.

The government-wide financial statements can be found on pages 15-17 of this report.

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 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 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.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

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

The District maintains thirty-three 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 are considered to be the major fund. Data from the other thirty-two 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 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 basic fund financial statements can be found on pages 18-22 of this report.

Proprietary Funds The District maintains two different types of proprietary funds. Enterprise funds are used to report the same function presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its food service. The internal service fund is an accounting device used to accumulate and allocate costs internally amount the District's various functions. The 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 basic proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary Funds Fiduciary fund 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 fund is not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

The basic fiduciary fund financial statements can be found on page 26 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 27-50 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 on page 51-105 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$1.0 million at the close of the most recent fiscal year.

The bulk of the District's net assets (\$1.8 million) reflect its unrestricted net assets. The District uses these unrestricted net assets to meet ongoing obligations to the residents and creditors. Invested in capital assets (e.g., land, building, machinery and furniture, vehicles) reflect a negative \$3.5 million. This is due to most of the assets being fully depreciated and outstanding debt. The District uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

An additional portion of the District's net assets (\$686,061) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net assets, except for invested in capital assets. Business-type activities had negative net assets, as well. The same situation held true for the prior fiscal year.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Eastwood Local School District's Net Assets
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Assets:						
Current and Other Assets	\$ 9.56	\$ 9.02	\$ (0.03)	\$ (0.02)	\$ 9.53	\$ 9.00
Capital Assets	0.81	1.35	-	-	0.81	1.35
<i>Total Assets</i>	<u>10.37</u>	<u>10.37</u>	<u>(0.03)</u>	<u>(0.02)</u>	<u>10.34</u>	<u>10.35</u>
Liabilities:						
Current Liabilities	6.20	6.01	0.11	0.05	6.31	6.06
Long-term Liabilities	5.19	5.69	-	0.05	5.19	5.74
<i>Total Liabilities</i>	<u>11.39</u>	<u>11.70</u>	<u>0.11</u>	<u>0.10</u>	<u>11.50</u>	<u>11.80</u>
Net Assets:						
Invested in Capital Assets	(3.52)	(3.45)	-	-	(3.52)	(3.45)
Restricted	0.68	0.32	-	-	0.68	0.32
Unrestricted	1.81	1.81	(0.14)	(0.12)	1.67	1.69
<i>Total Net Assets</i>	<u>\$ (1.03)</u>	<u>\$ (1.32)</u>	<u>\$ (0.14)</u>	<u>\$ (0.12)</u>	<u>\$ (1.17)</u>	<u>\$ (1.44)</u>

The District's net assets increased by \$0.7 million during the current fiscal year. All of this represents the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses.

Governmental Activities

Governmental activities increased the District's net assets by \$.76 million, thereby accounting for one hundred percent of the total growth in net assets of the District. Key elements of this increase are as follows:

- Property taxes increased by \$572 thousand (12 percent) during the year. Most of this increase is the product of a general tax levy for general fund that totaled \$4.7 million.
- Operating grants for governmental activities increased by \$531 thousand, mostly as a result of an increase funding in state and federal programs during the current fiscal year.

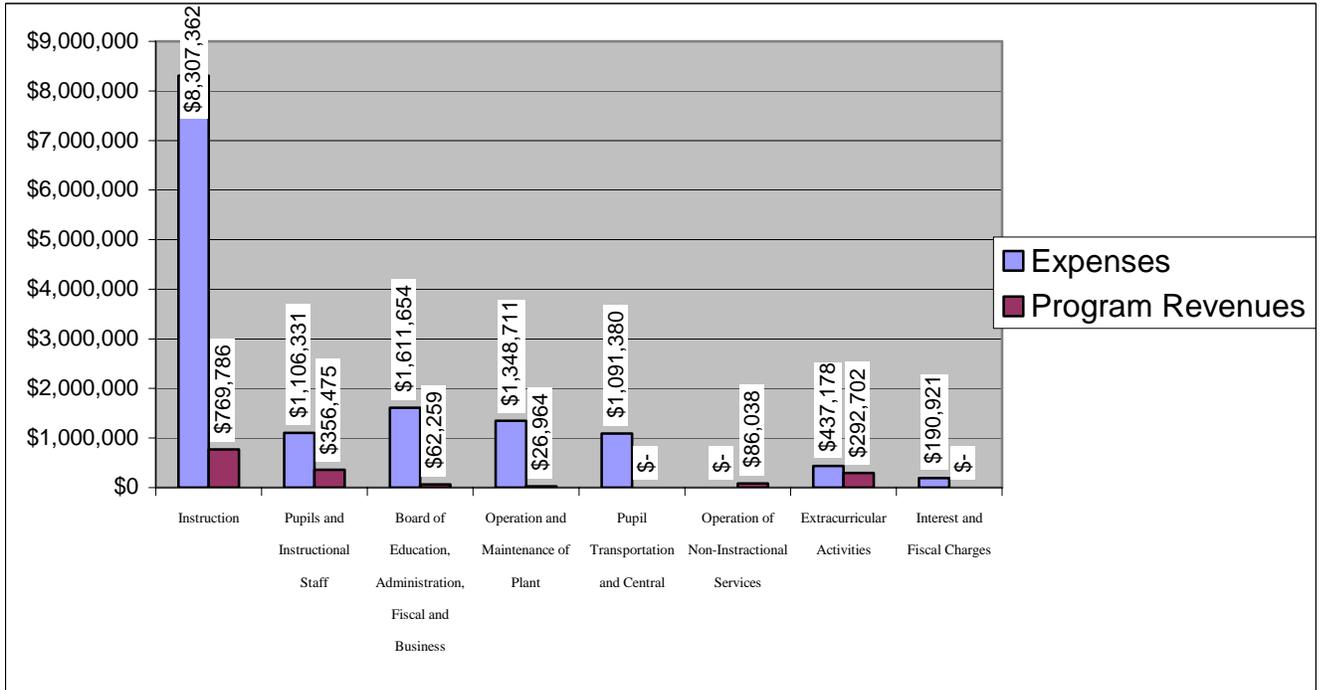
Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenue:						
Program Revenues:						
Charges for Services and Sales	\$ 691,769	\$ 683,351	\$ 470,381	\$ 454,949	\$ 1,162,150	\$ 1,138,300
Operating Grants and Contrib.	860,379	152,812	208,753	159,781	1,069,132	312,593
Capital Grants and Contrib.	42,075	-	-	-	42,075	-
General Revenues:						
Property Taxes	5,416,803	4,844,545	-	-	5,416,803	4,844,545
Grants and Entitlements	7,621,321	7,839,891	-	-	7,621,321	7,839,891
Investment Earnings	117,709	229,635	-	-	117,709	229,635
Miscellaneous	104,469	133,400	-	-	104,469	133,400
Total Revenues	14,854,525	13,883,634	679,134	614,730	15,533,659	14,498,364
Expenses:						
Instructions:						
Regular	6,537,624	6,257,688	-	-	6,537,624	6,257,688
Special	1,534,892	1,630,671	-	-	1,534,892	1,630,671
Vocational	168,500	137,467	-	-	168,500	137,467
Adult Continuing	27	-	-	-	27	-
Other	66,319	166,331	-	-	66,319	166,331
Support Services:						
Pupils	514,181	522,895	-	-	514,181	522,895
Instructional Staff	592,150	320,911	-	-	592,150	320,911
Board of Education	40,148	38,277	-	-	40,148	38,277
Administration	1,171,218	1,253,963	-	-	1,171,218	1,253,963
Fiscal	400,261	347,820	-	-	400,261	347,820
Business	27	2,903	-	-	27	2,903
Operation and Mntc. of Plant	1,348,711	1,460,816	-	-	1,348,711	1,460,816
Pupil Transportation	1,090,701	1,032,751	-	-	1,090,701	1,032,751
Central	679	1,890	-	-	679	1,890
Operation of Non-instruct. Svcs.	-	7,633	-	-	-	7,633
Extracurricular Activities	437,178	512,277	-	-	437,178	512,277
Interest and Fiscal Charges	190,921	218,016	-	-	190,921	218,016
Food Services	-	-	706,252	641,876	706,252	641,876
Total Expenses	14,093,537	13,912,309	706,252	641,876	14,799,789	14,554,185
Changes in Net Assets	760,988	(28,675)	(27,118)	(27,146)	733,870	(55,821)
Beginning Net Assets	(1,789,552)	(1,293,895)	(117,561)	(90,415)	(1,907,113)	(1,384,310)
Ending Net Assets	\$ (1,028,564)	\$ (1,322,570)	\$ (144,679)	\$ (117,561)	\$ (1,173,243)	\$ (1,440,131)

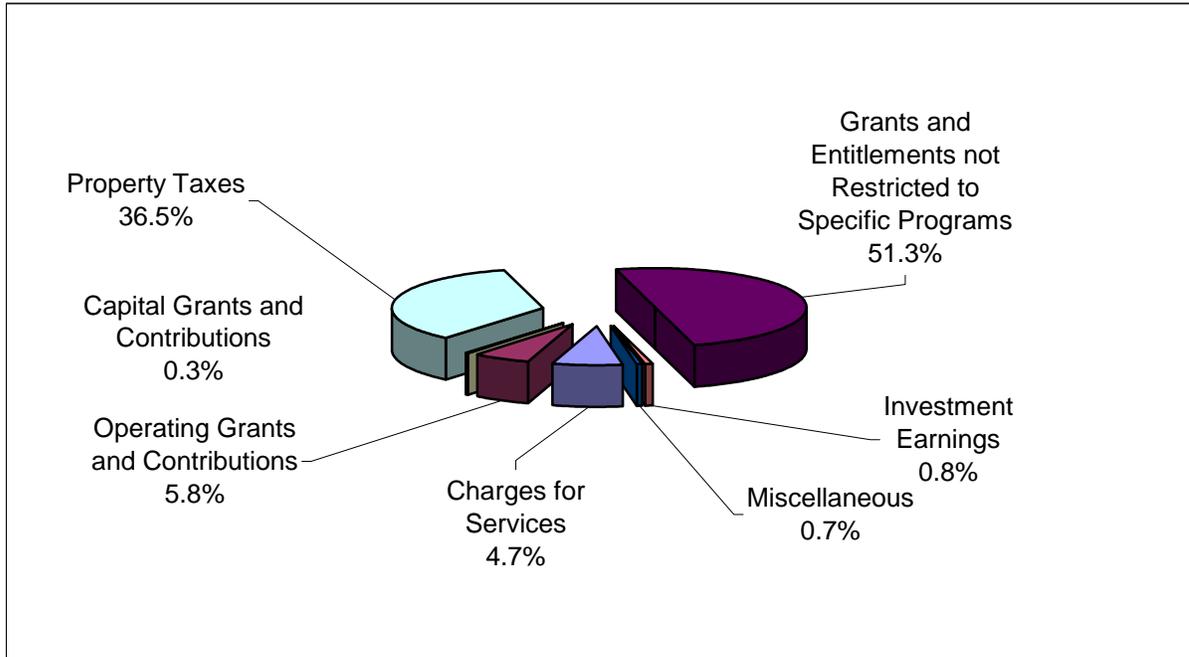
Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Expenses and Program Revenues – Governmental Activities



Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Revenues by Sources – Governmental Activities



For the most part, the increase in expenses closely paralleled inflation and growth in the demand for services. The expenses increased by \$181 thousand in comparison to the prior fiscal year. Approximately 64 percent of the increase in expenses occurred in instruction.

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. Property taxes made up 36.5 percent of revenue for governmental activities for Eastwood Local School District in fiscal year 2004, a slight increase from prior years'.

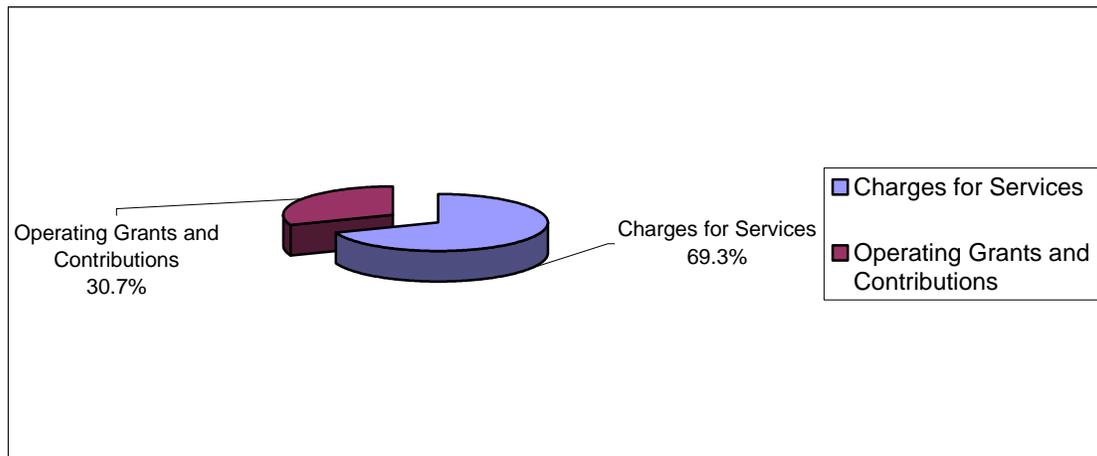
Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Business-Type Activities

Business-type activities decreased the District's net assets by \$27,118. Key elements of this decrease are as follows:

- Charges for services for business-type activities increased by \$15 thousand. Better sales in food service is the primary reason for the increase.
- Overall expenses increased by \$64 thousand. Additional supplies and fringe benefits were the primary reason for the increase.

Revenues by Sources – Business-type Activities



Financial Analysis of the Governmental Funds

Governmental Funds. Information about the District's governmental funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$14.8 million and expenditures of \$14.4 million. The total governmental fund balance increased \$0.38 million. The net change in governmental fund balance for the year was most significant in the general fund and permanent improvement capital projects fund, where the fund balances increased \$87,844 and \$113,666, respectively for fiscal year 2004.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1.6 million, while total fund balance reached \$2.8 million. 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 12.8 percent of total general fund expenditures, while total fund balance represents 22.4 percent of that same amount.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

The key factor in this increase of fund balance for the general fund is an increase of property taxes by \$542,749.

Proprietary Fund. The District's proprietary fund provide the same type of information found in the government-wide financial statements, but in more detail. Information about the District's proprietary funds starts on page 23. Unrestricted net assets of the food services are as follows:

Proprietary Funds' Net Assets

	Food Services	
	2004	2003
Revenues	\$679,134	\$614,730
Expenses	706,252	641,876
Net Income (Loss)	(27,118)	(27,146)
Net Assets 7/1/03	(117,561)	(90,415)
Net Assets 6/30/04	(\$144,679)	(\$117,561)

The Food Service fund had negative net assets at the close of the current fiscal year. The growth of the expenses in food services exceeded the increase of the revenues in comparison of prior fiscal years.

General Fund Budgeting Highlights

The 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 2004 the District amended its general fund budget numerous times. The 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, budget basis revenue was \$12.7 million, over the original budget estimate of \$12.1 million. Of this \$.6 million difference, intergovernmental revenue was approximately \$0.24 million over original estimates. This revenue line item fluctuates year to year and is budgeted on a conservative basis to avoid revenue overestimations. Advances of \$0.23 million were also made during the year.

The difference between the original budget appropriations and the final amended budget appropriations of the general fund were approximately \$274 thousand. Most of the increase occurred in instruction, which amounted to \$70 thousand and advances, which were \$135 thousand.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2004, amount to negative \$3.5 million (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment, furniture and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was 2.2 percent.

**Eastwood Local School District's Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	2004	2003
Land and Improvements	\$ 261,067	\$ 396,459
Buildings and Improvements	491,276	804,531
Vehicles	52,851	156,719
 Total Capital Assets, Net	 \$ 805,194	 \$ 1,357,709

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

Debt. Currently, the District has \$4,329,692 of Bonds Payable at June 30, 2004. For additional detail, see Note 12.

Current Financial Related Activities

Eastwood Local School District is strong financially. As the preceding information shows, the District heavily depends on its property taxpayers. With the passage of a 4.78 mill operating levy and collection beginning January 2003 the District has been able to continue its education programs. However, financially the future is not without challenges.

While the District was successful in increasing its tax revenue base in 2000, this increase is a one-time increase. State law fixes the amount of this increase, forcing it to remain nearly constant. Thus, management must diligently plan expenses, staying carefully within the District's five-year forecast.

Eastwood Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Declining state foundation payments due to increased property valuations provide no significant increase in future revenues. This decline is due to the increasing valuation charge-offs in determining state foundation payments. The increases in property tax revenues are almost offset to decreases in state foundation payments. With its major sources of revenue not keeping pace with expenditure increases, the District must seek additional tax revenues to continue current operations. However, the District cannot look to the State of Ohio for increased revenue.

On December 11, 2003, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. Virtually, no additional state revenue will be available to Eastwood Local School District. Thus, both taxes and state revenue are fixed or declining.

The scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Eastwood Local School District has committed itself to financial excellence for many years. The District received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the year ending June 30, 2003. This report represents the second report using the new financial reporting model required by Governmental Accounting Standards Board Statement Number 34.

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

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the District's finances and to show the 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, 2004

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 3,711,466	\$ -	\$ 3,711,466
Restricted Assets:			
Cash and Cash Equivalents	573,299	-	573,299
Receivables:			
Taxes	5,003,033	-	5,003,033
Accounts	91,249	-	91,249
Intergovernmental	115,075	14,738	129,813
Internal Balances	68,108	(68,108)	-
Inventory Held for Resale	-	20,026	20,026
Materials and Supplies Inventory	-	3,170	3,170
Nondepreciable Capital Assets	261,067	-	261,067
Depreciable Capital Assets, Net	544,127	-	544,127
<i>Total Assets</i>	\$ 10,367,424	\$ (30,174)	\$ 10,337,250
Liabilities			
Accounts Payable	\$ 313,321	\$ -	\$ 313,321
Accrued Wages and Benefits	1,171,732	12,603	1,184,335
Intergovernmental Payable	22,975	311	23,286
Pension Obligation Payable	398,121	79,495	477,616
Deferred Revenue	4,298,488	-	4,298,488
Long-Term Liabilities:			
Due Within One Year	353,903	-	353,903
Due Within More Than One Year	4,837,448	22,096	4,859,544
<i>Total Liabilities</i>	\$ 11,395,988	\$ 114,505	\$ 11,510,493
Net Assets			
Invested in Capital Assets, Net of Related Debt	\$ (3,524,498)	\$ -	\$ (3,524,498)
Restricted for:			
Capital Projects	164,248	-	164,248
Debt Service	171,888	-	171,888
Other Purposes	349,925	-	349,925
Unrestricted (Deficit)	1,809,873	(144,679)	1,665,194
<i>Total Net Assets</i>	\$ (1,028,564)	\$ (144,679)	\$ (1,173,243)

See accompanying notes to the basic financial statements

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Eastwood Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contribution
Governmental Activities				
Instruction:				
Regular	\$ 6,537,624	\$ 332,049	\$ 172,076	\$ 15,111
Special	1,534,892	207,531	43,019	-
Vocational	168,500	-	-	-
Adult Continuing	27	-	-	-
Other	66,319	-	-	-
Support Services:				
Pupils	514,181	-	-	-
Instructional Staff	592,150	55,342	301,132	-
Board of Education	40,148	-	-	-
Administration	1,171,218	62,259	-	-
Fiscal	400,261	-	-	-
Business	27	-	-	-
Operation and Maintenance of Plant	1,348,711	-	-	26,964
Pupil Transportation	1,090,701	-	-	-
Central	679	-	-	-
Operation of Non-Instructional Services	-	-	86,038	-
Extracurricular Activities	437,178	34,588	258,114	-
Interest and Fiscal Charges	190,921	-	-	-
<i>Total Governmental Activities</i>	<u>14,093,537</u>	<u>691,769</u>	<u>860,379</u>	<u>42,075</u>
Business-Type Activities				
Food Service	706,252	470,381	208,753	-
<i>Total Business-Type Activities</i>	<u>706,252</u>	<u>470,381</u>	<u>208,753</u>	<u>-</u>
<i>Totals</i>	<u>\$ 14,799,789</u>	<u>\$ 1,162,150</u>	<u>\$ 1,069,132</u>	<u>\$ 42,075</u>

General Revenues

Property Taxes Levied for:
General Purposes
Debt Service
Capital Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompany notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (6,018,388)	\$ -	\$ (6,018,388)
(1,284,342)	-	(1,284,342)
(168,500)	-	(168,500)
(27)	-	(27)
(66,319)	-	(66,319)
(514,181)	-	(514,181)
(235,676)	-	(235,676)
(40,148)	-	(40,148)
(1,108,959)	-	(1,108,959)
(400,261)	-	(400,261)
(27)	-	(27)
(1,321,747)	-	(1,321,747)
(1,090,701)	-	(1,090,701)
(679)	-	(679)
86,038	-	86,038
(144,476)	-	(144,476)
(190,921)	-	(190,921)
<u>(12,499,314)</u>	<u>-</u>	<u>(12,499,314)</u>
<u>-</u>	<u>(27,118)</u>	<u>(27,118)</u>
<u>-</u>	<u>(27,118)</u>	<u>(27,118)</u>
<u>\$ (12,499,314)</u>	<u>\$ (27,118)</u>	<u>\$ (12,526,432)</u>
\$ 4,683,707	\$ -	\$ 4,683,707
481,687	-	481,687
251,409	-	251,409
7,621,321	-	7,621,321
117,709	-	117,709
104,469	-	104,469
<u>13,260,302</u>	<u>-</u>	<u>13,260,302</u>
760,988	(27,118)	733,870
<u>(1,789,552)</u>	<u>(117,561)</u>	<u>(1,907,113)</u>
<u>\$ (1,028,564)</u>	<u>\$ (144,679)</u>	<u>\$ (1,173,243)</u>

Eastwood Local School District
Balance Sheet
Governmental Funds
June 30, 2004

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 2,876,056	\$ 823,024	\$ 3,699,080
Receivables:			
Taxes	4,440,115	562,918	5,003,033
Accounts	91,249	-	91,249
Intergovernmental	-	115,075	115,075
Interfund Receivable	138,442	-	138,442
Restricted Assets:			
Cash and Cash Equivalents	573,299	-	573,299
<i>Total Assets</i>	8,119,161	1,501,017	9,620,178
Liabilities			
Accounts Payable	75,909	237,412	313,321
Accrued Wages and Benefits	1,160,526	11,206	1,171,732
Compensated Absences Payable	18,088	-	18,088
Pension Obligation Payable	168,944	2,340	171,284
Interfund Payable	-	70,334	70,334
Intergovernmental Payable	22,761	214	22,975
Deferred Revenue	3,898,071	555,071	4,453,142
<i>Total Liabilities</i>	5,344,299	876,577	6,220,876
Fund Balances			
Reserved for:			
Encumbrances	63,473	69,951	133,424
Property Taxes	542,042	72,183	614,225
Capital Maintenance	37,224	-	37,224
Debt Service	-	125,132	125,132
Budget Stabilization	536,075	-	536,075
Unreserved:			
Undesignated, Reported in:			
General Fund	1,596,048	-	1,596,048
Special Revenue Funds	-	266,066	266,066
Capital Projects Fund	-	91,108	91,108
<i>Total Fund Balances</i>	2,774,862	624,440	3,399,302
<i>Total Liabilities and Fund Balances</i>	\$ 8,119,161	\$ 1,501,017	\$ 9,620,178

See accompany notes to the basic financial statements

Eastwood Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2004*

Total Governmental Fund Balances		\$ 3,399,302
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		805,194
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	90,918	
Intergovernmental	63,736	
Total		154,654
An internal service fund is used by management to charge the cost 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.		12,386
Long-term liabilities, including bonds, payable, are not due and payable in the current period and therefore are not reported in the funds.		
Long Term Bonds	(4,329,692)	
Compensated Absences	(843,571)	
Pension Obligation	(226,837)	
Total		(5,400,100)
<i>Net Assets of Governmental Activities</i>		\$ (1,028,564)

See accompany 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, 2004

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 4,666,614	\$ 731,103	\$ 5,397,717
Intergovernmental	7,621,321	838,718	8,460,039
Interest	117,709	-	117,709
Tuition	201,000	5,665	206,665
Extracurricular Activities	4,393	402,606	406,999
Classroom Materials and Fees	1,376	76,729	78,105
Miscellaneous	100,885	3,584	104,469
	<u>12,713,298</u>	<u>2,058,405</u>	<u>14,771,703</u>
<i>Total Revenues</i>			
Expenditures			
Current:			
Instruction:			
Regular	6,118,659	404,566	6,523,225
Special	1,347,761	132,737	1,480,498
Vocational	165,113	-	165,113
Other	66,959	-	66,959
Support Services:			
Pupils	442,021	35,355	477,376
Instructional Staff	281,540	289,274	570,814
Board of Education	40,104	-	40,104
Administration	1,127,876	21,275	1,149,151
Fiscal	382,632	7,684	390,316
Operation and Maintenance of Plant	1,222,749	116,315	1,339,064
Pupil Transportation	1,038,707	14,521	1,053,228
Operation of Non-Instructional Services	-	7,232	7,232
Extracurricular Activities	141,333	274,452	415,785
Capital Outlay	-	5,757	5,757
Debt Service:			
Principal Retirement	-	495,000	495,000
Interest and Fiscal Charges	-	207,571	207,571
	<u>12,375,454</u>	<u>2,011,739</u>	<u>14,387,193</u>
<i>Total Expenditures</i>			
<i>Excess of Revenue Over/(Under) Expenditures</i>	<u>337,844</u>	<u>46,666</u>	<u>384,510</u>
Other Financing Sources (Uses)			
Transfer In	-	250,000	250,000
Transfer Out	(250,000)	-	(250,000)
	<u>(250,000)</u>	<u>250,000</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>			
<i>Net Change in Fund Balances</i>	87,844	296,666	384,510
<i>Fund Balances Beginning of Year</i>	<u>2,687,018</u>	<u>327,774</u>	<u>3,014,792</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,774,862</u>	<u>\$ 624,440</u>	<u>\$ 3,399,302</u>

See accompany notes to the basic financial statements

Eastwood Local School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in the Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2004*

Net Change in Fund Balances - Total Governmental Funds \$ 384,510

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current Year Depreciation	(90,533)	
Total		(90,533)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	19,086	
Intergovernmental Revenue	63,736	
Total		82,822

Repayment of bond principal and interest is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal	495,000	
Interest	16,650	
Total		511,650

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not required the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Pension Obligation Payable	(151,093)	
Compensated Absences Payable	22,991	
Total		(128,102)

The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated amount the governmental activities.

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Change in Net Assets of Governmental Activities

\$ 760,988

See accompany notes to the basic financial statements

Eastwood Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amount</u>			Variance with Final Budget Positive/ Negative
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 4,327,314	\$ 4,461,229	\$ 4,461,229	\$ -
Intergovernmental	7,378,968	7,621,322	7,621,322	-
Interest	113,966	117,709	117,709	-
Tuition	188,392	194,580	194,580	-
Classroom Materials and Fees	1,332	1,376	1,376	-
Miscellaneous	97,677	100,885	100,885	-
Total Revenues	<u>12,107,649</u>	<u>12,497,101</u>	<u>12,497,101</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	7,767,555	7,837,226	6,202,721	1,634,505
Special	1,689,927	1,705,085	1,349,478	355,607
Vocational education	173,173	174,726	138,286	36,440
Other instruction	83,852	84,604	66,959	17,645
Support Services:				
Pupils	552,255	557,209	440,999	116,210
Instructional support	352,192	355,351	281,240	74,111
Board of education	27,605	27,853	22,044	5,809
Administration	1,393,920	1,406,423	1,113,104	293,319
Fiscal	474,745	479,003	379,104	99,899
Operation and maintenance of plant	1,505,305	1,518,807	1,202,050	316,757
Pupil transportation	1,304,963	1,316,668	1,042,068	274,600
Extracurricular activities	173,832	175,391	138,812	36,579
Total Expenditures	<u>15,499,324</u>	<u>15,638,346</u>	<u>12,376,865</u>	<u>3,261,481</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	<u>(3,391,675)</u>	<u>(3,141,245)</u>	<u>120,236</u>	<u>3,261,481</u>
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	-	-	55	55
Advances In	-	234,571	254,900	20,329
Advances Out	-	(134,773)	(106,666)	28,107
Transfers Out	-	-	(250,000)	(250,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>99,798</u>	<u>(101,711)</u>	<u>(201,509)</u>
Net Change in Fund Balance	<u>(3,391,675)</u>	<u>(3,041,447)</u>	<u>18,525</u>	<u>3,059,972</u>
Fund Balance (Deficit) at The Beginning of Year	3,137,671	3,137,671	3,137,671	-
Prior Year Encumbrances Appropriated	153,777	153,777	153,777	-
Fund Balance (Deficit) at The End of Year	<u>\$ (100,227)</u>	<u>\$ 250,001</u>	<u>\$ 3,309,973</u>	<u>\$ 3,059,972</u>

Eastwood Local School District
Statement of Fund Assets
Proprietary Funds
June 30, 2004

	Business- Type Activities - Enterprise Fund Food Service	Governmental Activities- Internal Service Fund
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 12,386
Receivables:		
Intergovernmental	14,738	-
Inventory Held For Resale	20,026	-
Materials and Supplies Inventory	3,170	-
<i>Total Assets</i>	37,934	12,386
Liabilities		
Accrued Wages	12,603	-
Interfund Payable	68,108	-
Intergovernmental Payable	311	-
Pension Obligation Payable	79,495	-
<i>Total Current Liabilities</i>	160,517	-
Long-Term Liabilities:		
Compensated Absences Payable	22,096	-
<i>Total Liabilities</i>	182,613	-
Net Assets		
Unrestricted	(144,679)	12,386
<i>Total Net Assets (Deficit)</i>	\$ (144,679)	\$ 12,386

See accompanying notes to the basic financial statements

Eastwood Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2004*

	<u>Business- Type Activities - Enterprise Fund</u>	<u>Governmental Activities- Internal Service Fund</u>
	<u>Food Service</u>	<u>Rotary Fund</u>
Operating Revenues		
Food Services	\$ 470,381	\$ -
Extracurricular Activities	-	27,464
<i>Total Operating Revenues</i>	<u>470,381</u>	<u>27,464</u>
Operating Expenses		
Salaries	219,680	-
Fringe Benefits	129,392	-
Purchased Services	2,043	-
Materials and Supplies	354,123	-
Other	1,014	26,824
<i>Total Operating Expenses</i>	<u>706,252</u>	<u>26,824</u>
<i>Operating Income (Loss)</i>	(235,871)	
Non-Operating Revenues (Expenses)		
Federal Donated Commodities	86,732	-
Intergovernmental	122,021	-
<i>Total Non-Operating Revenues</i>	<u>208,753</u>	<u>-</u>
<i>Change in Net Assets</i>	(27,118)	640
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(117,561)</u>	<u>11,746</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>\$ (144,679)</u></u>	<u><u>\$ 12,386</u></u>

See accompanying notes to the basic financial statements

Eastwood Local School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2004

	Business- Type Activities - Enterprise Fund Food Service	Governmental Activities Internal Service Fund
Increase (Decrease in Cash and Cash Equivalents)		
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 470,381	\$ 27,464
Cash Payments to Employees for Services	(219,600)	-
Cash Payments for Employee Benefits	(97,220)	-
Cash Payments for Goods and Services	(270,193)	-
Other Cash Payments	(1,014)	(26,824)
	(117,646)	640
Cash Flows from Noncapital Financing Activities		
Grants Received	106,452	-
Advance In	11,194	-
	117,646	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	(117,646)	640
<i>Net Cash Provided by (Used by) Noncapital Financing Activities</i>	117,646	-
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	-	640
<i>Cash and Cash Equivalents Beginning of Year</i>	-	11,746
<i>Cash and Cash Equivalents End of Year</i>	\$ -	\$ 12,386
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities		
<i>Operating Income (Loss)</i>	(235,871)	640
Adjustments:		
Donated Commodities	86,732	-
(Increase) Decrease in Assets:		
Accounts Receivable	2,411	-
Materials and Supplies Inventory	(3,170)	-
Accrued Wages	294	-
Compensated Absences Payable	(32,037)	-
Pension Obligation Payable	64,209	-
Intergovernmental Payable	(214)	-
	118,225	-
<i>Total Adjustments</i>	118,225	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	\$ (117,646)	\$ 640

See accompanying notes to the basic financial statements

Eastwood Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

	Agency
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 291,193
Intergovernmental Receivable	508,146
<i>Total Assets</i>	799,339
Liabilities	
Accounts Payable	122,918
Accrued Wages	76,443
Compensated Absences Payable	135,416
Intergovernmental Payable	1,955
Pension Obligation Payable	41,196
Undistributed Monies	378,779
Due to Students	42,632
<i>Total Liabilities</i>	\$ 799,339

See accompanying notes to the basic financial statements

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2004

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Eastwood Local School District (the "School District") is organized under Article VI, Sections 2nd 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 90 non-certificated employees and 111 certificated full-time teaching personnel who provide services to 1,902 students and other community members. The School District currently operates 6 instructional buildings, 1 administrative building, and a garage.

Reporting Entity:

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent of the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes.

Based on the above description, there are no component units within the School District.

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

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 District's boundaries. The federal Department of Education provides funding to the SERRC, which is received and disbursed through the District's financial records, at the direction of the SERRC.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups 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. An account group is a financial reporting device designed to provide for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

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

Governmental Fund Types:

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

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

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

Proprietary Fund Types Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2004

Enterprise Funds Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. The School District's major enterprise funds are:

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

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.

B. Basis Of Presentation

Government-wide Financial Statements The statement of net assets and 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. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the School District that are considered business type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relation between the governmental-wide statements and the statements to governmental funds.

The governmental-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund 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.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2004

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

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

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

C. Budgetary Process

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

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

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

Tax Budget:

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

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

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2004

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 final amended certificate issued during fiscal year 2004.

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 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.

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 and reported in the notes to the basic financial statements for proprietary funds.

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.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

D. 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. During fiscal year 2004, there were no investments.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2004 amounted to \$117,709.

For purposes of the statement of cash flows and for presentation on the balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 18 for additional information regarding set-asides.

E. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower cost or market. For all funds, cost is determined on a first-in, first-out basis. There was no inventory for governmental funds at June 30, 2004. Inventories of proprietary funds consist of donated food and purchased food held for resale and are expensed when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, 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.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

G. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the government activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed 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:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20 years	N/A
Building and Improvements	20 - 50 years	N/A
Furniture	20 years	20 years
Equipment	5 -15 years	15 years
Fixtures	20 years	20 years
Vehicles	8 years	N/A
Library and Text Books	6 years	N/A

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement 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. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are carried and become measurable.

I. Interfund Assets/Liabilities

On the fund financial statements, receivables and payables resulting short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

J. Compensated Absences

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

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, contractually required pension contributions 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.

L. Bond Premiums and Discounts

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as "other financing sources," net of the applicable premium or discounts. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

M. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenue.

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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid from them are not presented on the financial statements.

N. Fund Balance Reserves

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

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

O. Net Assets

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

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

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2004

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2004.

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.

T. 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 are sales for food service and rotary etc. Operating expenses are necessary costs occurred to provide the good or service that is the primary activity of the fund.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

Excess of Revenues and Other Financing Sources
Over/(Under) Expenditures and Other Financing Uses -
General Fund

<u>Net Change in Fund Balance</u>	<u>General</u>
Budget Basis	\$ 18,525
Net Adjustment for Revenue Accruals	211,242
Net Adjustment for Expenditure Accruals	(200,053)
Adjustment for Encumbrances	<u>58,130</u>
GAAP Basis	<u>\$ 87,844</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$ 4,575,958 and the bank balance was \$4,735,650. Of the bank balance, \$100,000 was covered by federal depository insurance and \$4,635,650 was uninsured, but collateralized with securities held by the pledging financial institution's trust department or agent not in the District's name. Although the securities serving as collateral were held by the pledging financial institution's trust department not in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

Investments: At fiscal year end, the School District had no investments classified under GASB 3.

NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in 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 percent of appraised market value. All property is required to be revalued every six years. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31, if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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 full tax rate applied to real property for the fiscal year ended June 30, 2004 was \$44.70 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$26.365768 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$30.259044 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

The rate applied to tangible personal property for the fiscal year ended June 30, 2004 was \$26.365768 per \$1,000 of assessed valuation.

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 County by June 30, 2004, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2004. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal 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 June 30, 2004, was \$542,044 in the General Fund, \$41,224 in the Debt Service Fund, and \$30,959 in the Capital Projects Fund.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

The assessed values upon which fiscal year 2004 taxes were collected are:

	<u>2004</u>	<u>2003</u>
Real Property -		
Residential/Agricultural	\$ 151,386,550	\$ 147,827,940
Tangible Personal Property -		
Personal	13,676,627	15,088,435
Public Utilities	<u>16,553,740</u>	<u>16,433,210</u>
Total Valuation	<u>\$ 181,616,917</u>	<u>\$ 179,349,585</u>

NOTE 6 - RECEIVABLES

Receivables at June 30, 2004, consisted of property 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.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

	Balance 7/1/2003	Addition	Deletion	Balance 6/30/2004
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 261,067	\$ -	\$ -	\$ 261,067
<i>Total Capital Assets, not being depreciated:</i>	<u>261,067</u>	<u>-</u>	<u>-</u>	<u>261,067</u>
<i>Capital Asset, being depreciated:</i>				
Land Improvements	102,500	-	-	102,500
Buildings and Improvements	5,986,841	-	-	5,986,841
Furniture, Equipment and Fixtures	69,500	-	-	69,500
Vehicles	782,542	-	-	782,542
<i>Total Capital Assets, being depreciated:</i>	<u>6,941,383</u>	<u>-</u>	<u>-</u>	<u>6,941,383</u>
Less Accumulated Depreciation:				
Improvements	(102,500)	-	-	(102,500)
Building and Improvements	(5,430,414)	(65,151)	-	(5,495,565)
Furniture, Equipment, and Fixtures	(69,500)	-	-	(69,500)
Vehicles	(704,309)	(25,382)	-	(729,691)
<i>Total Accumulated Depreciation</i>	<u>(6,306,723)</u>	<u>(90,533)</u>	<u>-</u>	<u>(6,397,256)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>634,660</u>	<u>(90,533)</u>	<u>-</u>	<u>544,127</u>
Governmental Activities Capital Assets, Net	<u>\$ 895,727</u>	<u>\$ (90,533)</u>	<u>\$ -</u>	<u>\$ 805,194</u>

Due to an incorrect valuation in the prior year, the beginning carrying value of capital assets decreased by \$461,982.

Depreciation expense was charged to governmental functions as follows:

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

Instruction:		
Regular	\$	41,274
Special		1,068
Adult		27
Support Services:		
Pupil		1,277
Instructional Staff		11,470
Administration		3,648
Business		27
Pupil Transportation		28,445
Central		679
Extracurricular Activities		<u>2,618</u>
Total Depreciation Expense	\$	<u><u>90,533</u></u>

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2004, the District has entered into contracts with Nationwide Insurance Company for general liability insurance. Professional liability is protected by Nationwide Insurance Company with \$1,000,000 each occurrence, \$5,000,000 aggregate limit.

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

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees System of Ohio (SERS), a cost-sharing multiple employer defined pension system. 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 State statute per 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 Board Street, Suite 100, Columbus, Ohio 43215-3746 or by calling 222-5853.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2004

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$317,358, \$306,660, and \$296,388, respectively; 48.5 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$321,736 representing the unpaid contribution for fiscal year 2004 is recorded as a liability.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

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

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

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

For the fiscal year ended June 30, 2004, plan members are required to contribute 10 percent of their annual covered salaries. The School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$910,645, \$937,164, and \$882,648, respectively; 82.9 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$155,880 representing the unpaid contribution for fiscal year 2004 is recorded as a liability.

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal year ended June 30, 2003 (the latest information available), the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$292,707 for fiscal year 2004.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2003 (the latest information available), the balance in the Fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000 and STRS had 108,294 eligible benefit recipients.

For this fiscal year, SERS employer contributions to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay has been established at \$14,500. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2003 SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$269,542 during the 2004 fiscal year.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

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.

NOTE 12 - DEBT OBLIGATIONS

The changes in the School District's debt obligations during fiscal year 2004 were as follows:

	<u>Balance Outstanding 6/30/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Outstanding 6/30/04</u>	<u>Due Within One Year</u>
Government Activities:					
Long-term Obligations:					
H.S addition and renovation Bonds 5.2792%	\$ 3,839,692	-	\$(135,000)	\$ 3,704,692	\$ 140,000
Energy Conservation Bonds 4.5611%	735,000	-	(110,000)	625,000	115,000
Long-Term Notes Payable	250,000	-	(250,000)	-	-
Compensated Absences	<u>866,563</u>	<u>\$489,892</u>	<u>(494,796)</u>	<u>861,659</u>	<u>98,903</u>
Total Long-Term Obligations	<u>\$ 5,691,255</u>	<u>\$489,892</u>	<u>\$(989,796)</u>	<u>\$5,191,351</u>	<u>\$353,903</u>
Business-Type Activities:					
Compensated Absences	<u>\$54,133</u>	<u>\$38,373</u>	<u>\$(70,410)</u>	<u>\$22,096</u>	<u>\$0</u>

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

The District's voted legal debt margin was \$12,185,187 with an unvoted debt margin of \$350,973 at June 30, 2004.

The prior year amortization schedule understated the outstanding obligation debt by \$5,000, which was corrected in the current year.

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2004 are as follows:

<u>Fiscal Year</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$ 255,000	\$ 188,905	\$ 443,905
2006	270,000	178,270	448,270
2007	280,000	166,855	446,855
2008	290,000	154,740	444,740
2009-2013	786,478	897,584	1,684,062
2014-2018	873,214	655,346	1,528,560
2019-2022	1,280,000	218,135	1,498,135
2023-2024	<u>295,000</u>	<u>29,125</u>	<u>324,125</u>
Totals	<u>\$4,329,692</u>	<u>\$2,488,960</u>	<u>\$ 6,818,652</u>

NOTE 13 INTERFUND ACTIVITY

A. Interfund Payables/Receivables

The interfund payables/receivables consisted of the following at June 30, 2004, as reported on the fund financial statements:

	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
Major Governmental Fund:		
General	\$ 138,442	0
Nonmajor Governmental Funds:		
Permanent Improvement	0	\$ 10,551
Student Athletics	0	20,384
Public School Preschool	0	11,841
Vocational Education		357
Title IV	0	833
Title I	0	21,723
Drug Free Grant	0	4,645
Enterprise Fund:		
Lunchroom/Cafeteria	0	68,108

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2004

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

The School District is a participant in the Maumee Valley & Computer Association (MAVCA) which is a computer consortium. MAVCA is an association made up of seventeen participating school districts and two county board. 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. MAVCA 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 MAVCA including budgeting, appropriating, contracting and designating management. All the MAVCA revenues are generated from charges for services and state funding. To obtain information write to 30095 Oregon Road, Perrysburg, Ohio 43551.

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

NOTE 15 - INSURANCE PURCHASING POOL

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing 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 rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates, McDonald & Co. provides administrative, cost control and actuarial services to the GRP. In accordance with the above, the OSBA Group Rating Program has not been included as a component unit of the reporting entity.

NOTE 16 - STATE SCHOOL FUNDING DECISION

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

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2004

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

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, 2004.

B. Litigation

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

NOTE 18 - SET-ASIDE REQUIREMENTS

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

The following cash basis information describes the change in the fiscal year end set aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Reserve</u>	<u>Total</u>
Set aside balance as of June 30,2003	-	-	\$ 536,075	\$ 536,075
Current year set aside requirement	\$ 245,149	\$246,149	-	\$ 491,298
Qualifying Expenditures	<u>\$(563,921)</u>	<u>\$(208,925)</u>	<u>-</u>	<u>\$(772,846)</u>
Totals	<u>\$(318,772)</u>	<u>\$ 37,224</u>	<u>\$ 536,075</u>	<u>\$ 254,527</u>
Cash balance carried forward to FY2004	<u>-</u>	<u>\$ 37,224</u>	<u>\$ 536,075</u>	<u>\$ 573,299</u>
Amount restricted for budget stabilization				<u>\$ 536,075</u>
Total restricted assets				<u>\$ 573,299</u>

EASTWOOD LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2004

Although the District had qualifying expenditures during the year that reduced the textbook set-aside amounts below zero, the District chose not to carry-forward these negative balances.

NOTE 19 – ACCOUNTABILITY AND COMPLIANCE

Fund Balances at June 30, 2004 included the following individual fund deficits: Title I (\$9,641), Drug Free Grant (\$3,025).

NOTE 20 – PRIOR PERIOD ADJUSTMENTS

Differences noted in the capital assets from the prior year and debt caused the following changes in the beginning net assets:

	<u>Governmental Activities</u>
Net Assets, As of June 30, 2003	\$ (1,322,570)
Adjustments:	
Capital Assets	(461,982)
Debt	<u>(5,000)</u>
Net Assets, As of July 1, 2003	<u>\$ (1,789,552)</u>

Eastwood Local School District

Combining Statements and Individual Fund Schedules

Eastwood Local School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

Public School Support Fund This fund accounts for school site sales revenue and expenditures for field trips, 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 all costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

Educational Television Grant Fund This fund accounts for funds that provide educational services via television within the School District.

Community Education Grant Fund This fund accounts for funds for which monies are received for educational program for the District's community.

Post Secondary Educational 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 development of hardware and software or other costs associated with the requirements of the management information system.

Head Start Fund This fund accounts for State monies used to assist the School District in paying the cost of head start programs for three and four year olds.

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

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

SchoolNet Technology Training Fund This fund accounts for State monies to assist staff in gaining knowledge of technology.

Eastwood Local School District

Nonmajor Special Revenue Funds

(continued)

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

Instruction Material Subsidy Fund This fund accounts for monies received to provide instructional material for educational purposes.

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 This fund is used to account for monies used for education during summer months.

Vocation Education Fund This fund accounts for monies used to provide students with alternative to college by providing vocational education.

Safe Schools Help Line Fund This fund accounts for monies used for programs for students to report anonymously activity that might be harmful to the School District daily activities.

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

Title IV 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 the State agencies that are used for development of basic educational skills and increase of 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 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.

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

Preschool Handicapped Grant Fund This fund accounts for Federal monies which provide for the cost of developing a public school preschool for handicapped and non-handicapped children.

Eastwood Local School District

Nonmajor Special Revenue Funds

(continued)

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

Miscellaneous Federal Grants Fund This fund accounts for small miscellaneous grants from the federal governments.

Uniform Schools Supplies Fund This fund accounts for financial activity related to the purchase and sale of school supplies as adopted by the board of education for use within the School District.

Special Trust Fund This fund accounts for monies used for purposes that are beneficial to the overall operation of the School District.

Nonmajor Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for the payment of long-term debt principal, interest, and fiscal charges. The only debt service fund for the School District is Bond Retirement Fund.

Nonmajor Capital Projects Funds

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 all transaction related to acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5707, Revised Code.

SchoolNet Plus Fund This fund accounts for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

Nonmajor Agency Funds

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

Student Activities Fund This fund accounts for monies of student organizations.

Eastwood Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
 June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 554,470	\$ 143,422	\$ 125,132	\$ 823,024
Receivables:				
Taxes	-	244,081	318,837	562,918
Intergovernmental	115,075	-	-	115,075
	<u>\$ 669,545</u>	<u>\$ 387,503</u>	<u>\$ 443,969</u>	<u>\$ 1,501,017</u>
<i>Total Assets</i>				
Liabilities				
Accounts Payable	\$ 234,071	\$ 3,341	\$ -	\$ 237,412
Accrued Wages	11,206	-	-	11,206
Pension Obligation Payable	2,340	-	-	2,340
Interfund Payable	59,783	10,551	-	70,334
Intergovernmental Payable	214	-	-	214
Deferred Revenue	63,736	213,722	277,613	555,071
	<u>\$ 371,350</u>	<u>\$ 227,614</u>	<u>\$ 277,613</u>	<u>\$ 876,577</u>
<i>Total Liabilities</i>				
Fund Balance				
Reserved for Encumbrances	\$ 32,129	\$ 37,822	\$ -	\$ 69,951
Reserved for Property Taxes	-	30,959	41,224	72,183
Reserved for Debt Service:				
Principal	-	-	125,132	125,132
Unreserved:				
Undesignated	266,066	91,108	-	357,174
	<u>\$ 298,195</u>	<u>\$ 159,889</u>	<u>\$ 166,356</u>	<u>\$ 624,440</u>
<i>Total Fund Balance</i>				
 Total Liabilities and Fund Balance	<u>\$ 669,545</u>	<u>\$ 387,503</u>	<u>\$ 443,969</u>	<u>\$ 1,501,017</u>

Eastwood Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ -	\$ 250,506	\$ 480,597	\$ 731,103
Intergovernmental	796,643	42,075	-	838,718
Tuition and Fees	82,394	-	-	82,394
Extracurricular Activities	402,606	-	-	402,606
Miscellaneous	3,584	-	-	3,584
<i>Total Revenues</i>	1,285,227	292,581	480,597	2,058,405
Expenditures				
Current:				
Instruction:				
Regular	340,269	64,297	-	404,566
Special	132,737	-	-	132,737
Support Services:				
Pupils	35,355	-	-	35,355
Instructional Staff	289,274	-	-	289,274
Administration	20,547	309	419	21,275
Fiscal	1,235	2,817	3,632	7,684
Operation and Maintenance of Plant	10,470	105,845	-	116,315
Pupil Transportation	14,521	-	-	14,521
Operation of Non-Instructional Services	7,232	-	-	7,232
Extracurricular Activities	274,452	-	-	274,452
Capital Outlay	-	5,757	-	5,757
Debt Service:				
Principal Retirement	-	-	495,000	495,000
Interest and Fiscal Charges	-	-	207,571	207,571
<i>Total Expenditures</i>	1,126,092	179,025	706,622	2,011,739
<i>Excess of Revenues Over (Under) Expenditures</i>	159,135	113,556	(226,025)	46,666
Other Financing Sources (Uses)				
Transfer In	-	-	250,000	250,000
<i>Total Other Financing Sources (Uses)</i>	-	-	250,000	250,000
<i>Excess of Revenues and Other Sources Over Expenditures and Other Financing Uses</i>	159,135	113,556	23,975	296,666
Fund Balance (Deficit) Beginning of Year	139,060	46,333	142,381	327,774
Fund Balance (Deficit) End of Year	<u>\$ 298,195</u>	<u>\$ 159,889</u>	<u>\$ 166,356</u>	<u>\$ 624,440</u>

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Eastwood Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004

	Public School Support	Martha Holden Jennings Grants	Student Athletics
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 35,329	\$ 94	\$ 56,394
Receivables:			
Intergovernmental	-	-	-
<i>Total Assets</i>	<u>\$ 35,329</u>	<u>\$ 94</u>	<u>\$ 56,394</u>
Liabilities			
Accounts Payable	\$ -	\$ -	\$ 8,036
Accrued Wages	-	-	-
Pension Obligation Payable	-	-	-
Interfund Payable	-	-	20,384
Intergovernmental Payable	-	-	-
Deferred Revenue	-	-	-
<i>Total Liabilities</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,420</u>
Fund Balance			
Reserved for Encumbrances	\$ 2,481	\$ -	\$ 773
Unreserved:			
Undesignated	32,848	94	27,201
<i>Total Fund Balance (Deficit)</i>	<u>\$ 35,329</u>	<u>\$ 94</u>	<u>\$ 27,974</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 35,329</u>	<u>\$ 94</u>	<u>\$ 56,394</u>

Educational Television Grant	Community Education Grant	Post Secondary Education Grant	Teacher Development Grant	Educational Management Information Systems
\$ 444	\$ 1,570	\$ 4,424	\$ 492	\$ 33,216
-	-	-	-	-
<u>\$ 444</u>	<u>\$ 1,570</u>	<u>\$ 4,424</u>	<u>\$ 492</u>	<u>\$ 33,216</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 435	\$ -	\$ -	\$ -
444	1,135	4,424	492	33,216
<u>\$ 444</u>	<u>\$ 1,570</u>	<u>\$ 4,424</u>	<u>\$ 492</u>	<u>\$ 33,216</u>
<u>\$ 444</u>	<u>\$ 1,570</u>	<u>\$ 4,424</u>	<u>\$ 492</u>	<u>\$ 33,216</u>

(Continued)

Eastwood Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds - (Continued)
June 30, 2004

	Head Start	Public School Preschool	One Net
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 240	\$ 41,828	\$ 5,723
Receivables:			
Intergovernmental	-	-	-
<i>Total Assets</i>	<u>\$ 240</u>	<u>\$ 41,828</u>	<u>\$ 5,723</u>
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages	-	-	-
Pension Obligation Payable	-	-	-
Interfund Payable	-	11,841	-
Intergovernmental Payable	-	-	-
Deferred Revenue	-	-	-
<i>Total Liabilities</i>	<u>\$ -</u>	<u>\$ 11,841</u>	<u>\$ -</u>
Fund Balance			
Reserved for Encumbrances	\$ -	\$ -	\$ 369
Unreserved:			
Undesignated	240	29,987	5,354
<i>Total Fund Balance (Deficit)</i>	<u>\$ 240</u>	<u>\$ 29,987</u>	<u>\$ 5,723</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 240</u>	<u>\$ 41,828</u>	<u>\$ 5,723</u>

School Net Technology Training	District Learning	Instruction Materials Subsidy	Ohio Reads Grant	Summer Intervention
\$ 1,312	\$ 514	\$ 22,060	\$ 4,000	\$ 41,543
-	-	-	-	-
<u>\$ 1,312</u>	<u>\$ 514</u>	<u>\$ 22,060</u>	<u>\$ 4,000</u>	<u>\$ 41,543</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 600	\$ -	\$ -	\$ -	\$ -
<u>712</u>	<u>514</u>	<u>22,060</u>	<u>4,000</u>	<u>41,543</u>
<u>\$ 1,312</u>	<u>\$ 514</u>	<u>\$ 22,060</u>	<u>\$ 4,000</u>	<u>\$ 41,543</u>
<u>\$ 1,312</u>	<u>\$ 514</u>	<u>\$ 22,060</u>	<u>\$ 4,000</u>	<u>\$ 41,543</u>

(Continued)

Eastwood Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds - (Continued)
June 30, 2004

	Vocational Education	Safe Schools Help Line	Migrant Program
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 933	\$ 7,286	\$ -
Receivables:			
Intergovernmental	-	900	4,592
<i>Total Assets</i>	<u>\$ 933</u>	<u>\$ 8,186</u>	<u>\$ 4,592</u>
Liabilities			
Accounts Payable	\$ -	\$ 551	\$ -
Accrued Wages	-	-	-
Pension Obligation Payable	-	-	-
Interfund Payable	357	-	-
Intergovernmental Payable	-	-	4
Deferred Revenue	-	900	-
<i>Total Liabilities</i>	<u>\$ 357</u>	<u>\$ 1,451</u>	<u>\$ 4</u>
Fund Balance			
Reserved for Encumbrances	\$ 509	\$ 689	\$ -
Unreserved:			
Undesignated	67	6,046	4,588
<i>Total Fund Balance (Deficit)</i>	<u>\$ 576</u>	<u>\$ 6,735</u>	<u>\$ 4,588</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 933</u>	<u>\$ 8,186</u>	<u>\$ 4,592</u>

<u>Title IV</u>	<u>OWA Grant</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Grant</u>
\$ -	\$ 965	\$ 4,772	\$ -	\$ -
<u>833</u>	<u>-</u>	<u>39,719</u>	<u>20,349</u>	<u>1,620</u>
<u>\$ 833</u>	<u>\$ 965</u>	<u>\$ 44,491</u>	<u>\$ 20,349</u>	<u>\$ 1,620</u>
\$ -	\$ -	\$ 2,879	\$ -	\$ -
-	-	11,206	-	-
-	-	2,340	-	-
833	-	21,723	-	4,645
-	-	210	-	-
-	-	15,774	-	-
<u>\$ 833</u>	<u>\$ -</u>	<u>\$ 54,132</u>	<u>\$ -</u>	<u>\$ 4,645</u>
\$ -	\$ -	\$ 1,894	\$ -	\$ -
<u>-</u>	<u>965</u>	<u>(11,535)</u>	<u>20,349</u>	<u>(3,025)</u>
<u>\$ -</u>	<u>\$ 965</u>	<u>\$ (9,641)</u>	<u>\$ 20,349</u>	<u>\$ (3,025)</u>
<u>\$ 833</u>	<u>\$ 965</u>	<u>\$ 44,491</u>	<u>\$ 20,349</u>	<u>\$ 1,620</u>

(Continued)

Eastwood Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds - (Continued)
June 30, 2004

	Preschool Handicap Grant	Reducing Class Size Grant	Miscellaneous Federal Grants
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 10,500	\$ 18,228	\$ 248,361
Receivables:			
Intergovernmental	-	45,967	1,095
<i>Total Assets</i>	<u>\$ 10,500</u>	<u>\$ 64,195</u>	<u>\$ 249,456</u>
Liabilities			
Accounts Payable	\$ -	\$ 1,049	\$ 218,794
Accrued Wages	-	-	-
Pension Obligation Payable	-	-	-
Interfund Payable	-	-	-
Intergovernmental Payable	-	-	-
Deferred Revenue	-	45,967	1,095
<i>Total Liabilities</i>	<u>\$ -</u>	<u>\$ 47,016</u>	<u>\$ 219,889</u>
Fund Balance			
Reserved for Encumbrances	\$ -	\$ 329	\$ 23,354
Unreserved:			
Undesignated	10,500	16,850	6,213
<i>Total Fund Balance (Deficit)</i>	<u>\$ 10,500</u>	<u>\$ 17,179</u>	<u>\$ 29,567</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 10,500</u>	<u>\$ 64,195</u>	<u>\$ 249,456</u>

Uniform School Supplies	Special Trust	Total Nonmajor Special Revenue Funds
\$ 9,850	\$ 4,392	\$ 554,470
<u>-</u>	<u>-</u>	<u>115,075</u>
<u>\$ 9,850</u>	<u>\$ 4,392</u>	<u>\$ 669,545</u>
\$ 1,405	\$ 1,357	\$ 234,071
-	-	11,206
-	-	2,340
-	-	59,783
-	-	214
<u>-</u>	<u>-</u>	<u>63,736</u>
<u>\$ 1,405</u>	<u>\$ 1,357</u>	<u>\$ 371,350</u>
\$ 696	\$ -	\$ 32,129
<u>7,749</u>	<u>3,035</u>	<u>266,066</u>
<u>\$ 8,445</u>	<u>\$ 3,035</u>	<u>\$ 298,195</u>
<u>\$ 9,850</u>	<u>\$ 4,392</u>	<u>\$ 669,545</u>

Eastwood Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ending June 30, 2004

	Public School Support	Martha Holden Jennings Grants	Student Athletics
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Tuition and Fees	-	-	-
Extracurricular Activities	126,061	-	261,404
Miscellaneous	-	-	3,438
<i>Total Revenues</i>	<u>126,061</u>	<u>-</u>	<u>264,842</u>
Expenditures:			
Current:			
Instruction:			
Regular	126,002	-	-
Special	-	-	-
Support Services:			
Pupils	-	-	-
Instructional Staff	-	-	-
Administation	-	-	-
Fiscal	-	-	-
Operation and Maintenance of Plant	-	-	-
Pupil Transportation	-	-	-
Operation of Non-Instructional Services	-	-	-
Extracurricular Activities	-	-	274,452
<i>Total Expenditures</i>	<u>126,002</u>	<u>-</u>	<u>274,452</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	59	-	(9,610)
Fund Balance (Deficit) at Beginning of Year	<u>35,270</u>	<u>94</u>	<u>37,584</u>
Fund Balance (Deficit) End of Year	<u>\$ 35,329</u>	<u>\$ 94</u>	<u>\$ 27,974</u>

Educational Television Grant	Community Education Grant	Post Secondary Education Grant	Teacher Development Grant	Educational Management Information Systems
\$ -	\$ -	\$ -	\$ -	\$ 6,820
-	5,665	-	-	-
-	2,130	-	-	-
-	-	-	-	-
-	7,795	-	-	6,820
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	7,232	-	-	-
-	-	-	-	-
-	7,232	-	-	-
-	563	-	-	6,820
444	1,007	4,424	492	26,396
<u>\$ 444</u>	<u>\$ 1,570</u>	<u>\$ 4,424</u>	<u>\$ 492</u>	<u>\$ 33,216</u>

(Continued)

Eastwood Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds - (Continued)
For the year ending June 30, 2004

	Head Start	Public School Preschool	One Net
Revenues			
Intergovernmental	\$ -	\$ 100,636	\$ 18,000
Tuition and Fees	-	-	-
Extracurricular Activities	-	-	-
Miscellaneous	-	-	-
<i>Total Revenues</i>	-	100,636	18,000
Expenditures:			
Current:			
Instruction:			
Regular	-	35,420	19,214
Special	-	-	-
Support Services:			
Pupils	-	18,574	-
Instructional Staff	9,760	21,300	-
Administration	-	11,092	18
Fiscal	-	1,100	-
Operation and Maintenance of Plant	-	10,470	-
Pupil Transportation	-	14,521	-
Operation of Non-Instructional Services	-	-	-
Extracurricular Activities	-	-	-
<i>Total Expenditures</i>	9,760	112,477	19,232
<i>Excess of Revenues Over (Under) Expenditures</i>	(9,760)	(11,841)	(1,232)
Fund Balance (Deficit) at Beginning of Year	10,000	41,828	6,955
Fund Balance (Deficit) End of Year	\$ 240	\$ 29,987	\$ 5,723

School Net Technology Training	Distance Learning	Instruction Materials Subsidy	Ohio Reads Grant	Summer Intervention
\$ 2,925	\$ 22,347	\$ -	\$ 21,000	\$ 36,986
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,925	22,347	-	21,000	36,986
2,986	21,833	-	21,000	36,986
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,986	21,833	-	21,000	36,986
(61)	514	-	-	-
1,373	-	22,060	4,000	41,543
\$ 1,312	\$ 514	\$ 22,060	\$ 4,000	\$ 41,543

(Continued)

Eastwood Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds - (Continued)
For the year ending June 30, 2004

	Vocational Education	Safe Schools Help Line	Migrant Program
Revenues			
Intergovernmental	\$ 153	\$ 7,900	\$ 14,784
Tuition and Fees	-	-	-
Extracurricular Activities	-	-	-
Miscellaneous	-	-	-
<i>Total Revenues</i>	153	7,900	14,784
Expenditures:			
Current:			
Instruction:			
Regular	-	4,000	-
Special	-	15	5,600
Support Services:			
Pupils	-	-	-
Instructional Staff	-	868	-
Administation	-	2,059	4
Fiscal	-	-	-
Operation and Maintenance of Plant	-	-	-
Pupil Transportation	-	-	-
Operation of Non-Instructional Services	-	-	-
Extracurricular Activities	-	-	-
<i>Total Expenditures</i>	-	6,942	5,604
<i>Excess of Revenues Over (Under) Expenditures</i>	153	958	9,180
Fund Balance (Deficit) at Beginning of Year	423	5,777	(4,592)
Fund Balance (Deficit) End of Year	\$ 576	\$ 6,735	\$ 4,588

Title IV	OWA Grant	Title I	Title VI	Drug Free Grant
\$ 833	\$ -	\$ 183,947	\$ 30,415	\$ 11,340
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
833	-	183,947	30,415	11,340
-	-	162	-	-
-	-	127,122	-	-
-	-	-	10,066	6,715
-	-	-	-	-
-	-	-	-	4,792
-	-	-	-	135
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	127,284	10,066	11,642
833	-	56,663	20,349	(302)
(833)	965	(66,304)	-	(2,723)
\$ -	\$ 965	\$ (9,641)	\$ 20,349	\$ (3,025)

(Continued)

Eastwood Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds - (Continued)
For the year ending June 30, 2004

	Preschool Handicap Grant	Reducing Class Size Grant	Miscellaneous Federal Grants
Revenues			
Intergovernmental	\$ -	\$ 89,409	\$ 249,148
Tuition and Fees	-	-	-
Extracurricular Activities	-	-	-
Miscellaneous	-	-	-
<i>Total Revenues</i>	-	89,409	249,148
Expenditures:			
Current:			
Instruction:			
Regular	-	-	2,834
Special	-	-	-
Support Services:			
Pupils	-	-	-
Instructional Staff	-	26,263	219,027
Administation	-	-	2,582
Fiscal	-	-	-
Operation and Maintenance of Plant	-	-	-
Pupil Transportation	-	-	-
Operation of Non-Instructional Services	-	-	-
Extracurricular Activities	-	-	-
<i>Total Expenditures</i>	-	26,263	224,443
<i>Excess of Revenues Over (Under) Expenditures</i>	-	63,146	24,705
Fund Balance (Deficit) at Beginning of Year	10,500	(45,967)	4,862
Fund Balance (Deficit) End of Year	\$ 10,500	\$ 17,179	\$ 29,567

Uniform School Supplies	Special Trust	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 796,643
76,729	-	82,394
-	13,011	402,606
-	146	3,584
76,729	13,157	1,285,227
69,979	-	340,416
-	-	132,737
-	-	35,355
-	11,909	289,127
-	-	20,547
-	-	1,235
-	-	10,470
-	-	14,521
-	-	7,232
-	-	274,452
69,979	11,909	1,126,092
6,750	1,248	159,135
1,695	1,787	139,060
\$ 8,445	\$ 3,035	\$ 298,195

Eastwood Local School District
Combining Balance Sheet
Nonmajor Capital Project Funds
 June 30,2004

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 143,422	-	\$ 143,422
Receivables:			
Taxes	244,081	-	244,081
<i>Total Assets</i>	\$ 387,503	-	\$ 387,503
 Liabilities			
Accounts Payable	\$ 3,341	-	\$ 3,341
Interfund Payable	10,551	-	10,551
Deferred Revenue	213,722	-	213,722
<i>Total Liabilities</i>	227,614	-	227,614
 Fund Balance			
Reserved for Encumbrances	\$ 37,822	-	\$ 37,822
Reserved for Property Taxes	30,959	-	30,959
Unreserved:			
Undesignated	91,108	-	91,108
<i>Total Fund Balance</i>	\$ 159,889	-	\$ 159,889
<i>Total Liabilities and Fund Balance</i>	\$ 387,503	-	\$ 387,503

Eastwood Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ending June 30,2004

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues			
Taxes	\$ 250,506	\$ -	\$ 250,506
Intergovernmental	-	42,075	42,075
<i>Total Revenues</i>	250,506	42,075	292,581
Expenditures			
Current:			
Instruction:			
Regular	22,112	42,185	64,297
Support Services:			
Administration	309	-	309
Fiscal	2,817	-	2,817
Operation and Maintenance of Plant	105,845	-	105,845
Capital Outlay	5,757	-	5,757
<i>Total Expenditures</i>	136,840	42,185	179,025
<i>Excess of Revenues Over (Under) Expenditures</i>	113,666	(110)	113,556
Fund Balance (Deficit) at Beginning of Year	46,223	110	46,333
Fund Balance (Deficit) at End of Year	\$ 159,889	\$ -	\$ 159,889

Eastwood Local School District
Combining Statement of Changes in Assets and Liabilities -
Agency Funds
For the Year Ending June 30, 2004

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
SERRC Center				
Assets:				
Cash and Cash Equivalents	\$ 272,774	\$ -	\$ (27,333)	\$ 245,441
Intergovernmental Receivable	626,505	-	(118,359)	508,146
Total Assets	\$ 899,279	\$ -	\$ (145,692)	\$ 753,587
Liabilities:				
Accounts Payable	\$ 39,587	\$ 80,211	\$ -	\$ 119,798
Accrued Wages	68,570	7,873	-	76,443
Compensated Absences Payable	-	135,416	-	135,416
Interfund Payable	202,682	-	(202,682)	-
Intergovernmental Payable	2,063	-	(108)	1,955
Deferred Revenue	561,194	-	(561,194)	-
Pension Obligation Payable	25,183	16,013	-	41,196
Undistributed Monies	-	378,779	-	378,779
Total Liabilities	\$ 899,279	\$ 618,292	\$ (763,984)	\$ 753,587
Student Activities				
Assets:				
Cash and Cash Equivalents	\$ 49,089	\$ -	\$ (3,337)	\$ 45,752
Total Assets	\$ 49,089	\$ -	\$ (3,337)	\$ 45,752
Liabilities:				
Accounts Payable	\$ -	\$ 3,120	\$ -	\$ 3,120
Intergovernmental Payable	1,928	-	(1,928)	-
Due to Students	47,161	1,928	(6,457)	42,632
Total Liabilities	\$ 49,089	\$ 5,048	\$ (8,385)	\$ 45,752

Eastwood Local School District

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual**

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Public School Support Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Extracurricular Activities	\$ 125,479	\$ 126,061	\$ 582
Total Revenues	125,479	126,061	582
Expenditures:			
Current:			
Instruction	160,749	128,483	32,266
Total Expenditures	160,749	128,483	32,266
Net Change in Fund Balance	(35,270)	(2,422)	32,848
Fund Balance (Deficit) at The Beginning of Year	32,427	32,427	-
Prior Year Encumbrances Appropriated	2,843	2,843	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ 32,848</u>	<u>\$ 32,848</u>

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Martha Holden Jennings Grant Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Expenditures:			
Current:			
Instruction	\$ 94	\$ -	\$ 94
Total Expenditures	94	-	94
Net Change in Fund Balance	(94)	-	94
Fund Balance (Deficit) at The Beginning of Year	94	94	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 94	\$ 94

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Student Athletics Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Extracurricular Activities	\$ 245,533	\$ 261,404	\$ 15,871
Miscellaneous	3,041	3,238	197
Total Revenues	248,574	264,642	16,068
Expenditures:			
Current:			
Extracurricular activities	308,500	277,433	31,067
Total Expenditures	308,500	277,433	31,067
<i>Excess of Revenues Over/(Under) Expenditures</i>	(59,926)	(12,791)	47,135
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	188	200	12
Advances In	6,711	7,145	434
<i>Total Other Financing Sources (Uses)</i>	6,899	7,345	446
Net Change in Fund Balance	(53,027)	(5,446)	47,581
Fund Balance (Deficit) at The Beginning of Year	36,828	36,828	-
Prior Year Encumbrances Appropriated	16,199	16,199	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ 47,581</u>	<u>\$ 47,581</u>

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Educational Television Grant Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance (Deficit) at The Beginning of Year	444	444	-
Fund Balance (Deficit) at The End of Year	<u>\$ 444</u>	<u>\$ 444</u>	<u>\$ -</u>

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Community Education Grant Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Tuition	\$ 4,996	\$ 5,665	\$ 669
Extracurricular Activities	1,879	2,130	251
Total Revenues	6,875	7,795	920
Expenditures:			
Operation of noninstructional services	7,881	7,667	214
Total Expenditures	7,881	7,667	214
Net Change in Fund Balance	(1,006)	128	1,134
Fund Balance (Deficit) at The Beginning of Year	733	733	-
Prior Year Encumbrances Appropriated	273	273	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ 1,134</u>	<u>\$ 1,134</u>

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Post Secondary Education Grant Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance (Deficit) at The Beginning of Year	<u>4,424</u>	<u>4,424</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u><u>\$ 4,424</u></u>	<u><u>\$ 4,424</u></u>	<u><u>\$ -</u></u>

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Expenditures:			
Current:			
Instruction	\$ 492	\$ -	\$ 492
Total Expenditures	492	-	492
Net Change in Fund Balance	(492)	-	492
Fund Balance (Deficit) at The Beginning of Year	492	492	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 492	\$ 492

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Education Management Information Systems
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 6,820	\$ 6,820	\$ -
Total Revenues	6,820	6,820	-
Expenditures:			
Current:			
Instruction	33,215	-	33,215
Total Expenditures	33,215	-	33,215
Net Change in Fund Balance	(26,395)	6,820	33,215
Fund Balance (Deficit) at The Beginning of Year	26,395	26,395	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ 33,215</u>	<u>\$ 33,215</u>

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Head Start Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Expenditures:			
Support Services:			
Instructional support	\$ 10,000	\$ 9,760	\$ 240
Total Expenditures	10,000	9,760	240
Net Change in Fund Balance	(10,000)	(9,760)	240
Fund Balance (Deficit) at The Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	10,000	10,000	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 240	\$ 240

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 100,636	\$ 100,636	\$ -
Total Revenues	100,636	100,636	-
Expenditures:			
Current:			
Instruction	44,863	35,420	9,443
Support Services:			
Pupils	23,526	18,574	4,952
Instructional support	26,980	21,300	5,680
Administration	14,049	11,092	2,957
Fiscal	1,393	1,100	293
Operation and maintenance of plant	13,261	10,470	2,791
Pupil transportation	18,393	14,521	3,872
Total Expenditures	142,465	112,477	29,988
<i>Excess of Revenues Over/(Under) Expenditures</i>	(41,829)	(11,841)	29,988
Other Financing Sources (Uses):			
Advances In	-	11,841	11,841
<i>Total Other Financing Sources (Uses)</i>	-	11,841	11,841
Net Change in Fund Balance	(41,829)	-	41,829
Fund Balance (Deficit) at The Beginning of Year	41,829	41,829	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 41,829	\$ 41,829

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
One Net Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 18,000	\$ 18,000	\$ -
Total Revenues	18,000	18,000	-
Expenditures:			
Current:			
Instruction	37,745	32,395	5,350
Support Services:			
Administration	21	18	3
Total Expenditures	37,766	32,413	5,353
Net Change in Fund Balance	(19,766)	(14,413)	5,353
Fund Balance (Deficit) at The Beginning of Year	4,721	4,721	-
Prior Year Encumbrances Appropriated	15,045	15,045	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 5,353	\$ 5,353

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 School Net Technology Training Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 2,925	\$ 2,925	\$ -
Total Revenues	2,925	2,925	-
Expenditures:			
Current:			
Instruction	4,297	3,586	711
Total Expenditures	4,297	3,586	711
Net Change in Fund Balance	(1,372)	(661)	711
Fund Balance (Deficit) at The Beginning of Year	1,214	1,214	-
Prior Year Encumbrances Appropriated	158	158	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ 711</u>	<u>\$ 711</u>

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Distance Learning Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 22,347	\$ 22,347	\$ -
Total Revenues	22,347	22,347	-
Expenditures:			
Current:			
Instruction	22,347	21,833	514
Total Expenditures	22,347	21,833	514
Net Change in Fund Balance	-	514	514
Fund Balance (Deficit) at The End of Year	\$ -	\$ 514	\$ 514

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Instruction Material Subsidy Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Expenditures:			
Current:			
Instruction	\$ 22,061	\$ -	\$ 22,061
Total Expenditures	22,061	-	22,061
Net Change in Fund Balance	(22,061)	-	22,061
Fund Balance (Deficit) at The Beginning of Year	22,061	22,061	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 22,061	\$ 22,061

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Ohio Reads Grant Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 21,000	\$ 21,000	\$ -
Total Revenues	21,000	21,000	-
Expenditures:			
Current:			
Instruction	25,000	21,000	4,000
Total Expenditures	25,000	21,000	4,000
Net Change in Fund Balance	(4,000)	-	4,000
Fund Balance (Deficit) at The Beginning of Year	4,000	4,000	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 4,000	\$ 4,000

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Summer Intervention Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 36,986	\$ 36,986	\$ -
Total Revenues	36,986	36,986	-
Expenditures:			
Current:			
Instruction	78,529	36,986	41,543
Total Expenditures	78,529	36,986	41,543
Net Change in Fund Balance	(41,543)	-	41,543
Fund Balance (Deficit) at The Beginning of Year	41,543	41,543	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 41,543	\$ 41,543

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Vocation Education Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 153	\$ 153	\$ -
Total Revenues	153	153	-
Expenditures:			
Current:			
Instruction	576	509	67
Total Expenditures	576	509	67
<i>Excess of Revenues Over/(Under) Expenditures</i>	(423)	(356)	67
Other Financing Sources (Uses):			
Advances In	-	356	356
<i>Total Other Financing Sources (Uses)</i>	-	356	356
Net Change in Fund Balance	(423)	-	423
Fund Balance (Deficit) at The Beginning of Year	423	423	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 423	\$ 423

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Safe Schools Help Line Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 5,800	\$ 7,900	\$ 2,100
Total Revenues	5,800	7,900	2,100
Expenditures:			
Current:			
Instruction	5,895	4,000	1,895
Special	529	359	170
Support Services:			
Instructional support	1,787	1,213	574
Administration	3,034	2,059	975
Total Expenditures	11,245	7,631	3,614
<i>Excess of Revenues Over/(Under) Expenditures</i>	(5,445)	269	5,714
Other Financing Sources (Uses):			
Advances Out	(1,036)	(703)	333
<i>Total Other Financing Sources (Uses)</i>	(1,036)	(703)	333
Net Change in Fund Balance	(6,481)	(434)	6,047
Fund Balance (Deficit) at The Beginning of Year	6,331	6,331	-
Prior Year Encumbrances Appropriated	151	151	-
Fund Balance (Deficit) at The End of Year	<u>\$ 1</u>	<u>\$ 6,048</u>	<u>\$ 6,047</u>

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Migrant Program Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 10,192	\$ 10,192	\$ -
Total Revenues	10,192	10,192	-
Expenditures:			
Current:			
Instruction	5,600	5,600	-
Total Expenditures	5,600	5,600	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	4,592	4,592	-
Other Financing Sources (Uses):			
Advances Out	(4,592)	(4,592)	-
<i>Total Other Financing Sources (Uses)</i>	(4,592)	(4,592)	-
Net Change in Fund Balance	-	-	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ -	\$ -

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 OWA Grant Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance (Deficit) at The Beginning of Year	<u>965</u>	<u>965</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u><u>\$ 965</u></u>	<u><u>\$ 965</u></u>	<u><u>\$ -</u></u>

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 160,002	\$ 160,002	\$ -
Total Revenues	160,002	160,002	-
Expenditures:			
Current:			
Instruction	149,851	149,851	-
Total Expenditures	149,851	149,851	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	10,151	10,151	-
Other Financing Sources (Uses):			
Advances In	1,794	1,794	-
Advances Out	(12,278)	(12,278)	-
<i>Total Other Financing Sources (Uses)</i>	(10,484)	(10,484)	-
Net Change in Fund Balance	(333)	(333)	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	333	333	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ -	\$ -

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 10,066	\$ 10,066	\$ -
Total Revenues	10,066	10,066	-
Expenditures:			
Current:			
Instruction	10,066	10,066	-
Total Expenditures	10,066	10,066	-
Net Change in Fund Balance	-	-	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-
Fund Balance (Deficit) at The 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) and Actual
Drug Free Grant Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 9,719	\$ 9,719	\$ -
Total Revenues	9,719	9,719	-
Expenditures:			
Support Services:			
Pupils	4,921	6,714	(1,793)
Administration	3,512	4,792	(1,280)
Fiscal	99	135	(36)
Total Expenditures	8,532	11,641	(3,109)
<i>Excess of Revenues Over/(Under) Expenditures</i>	1,187	(1,922)	(3,109)
Other Financing Sources (Uses):			
Advances In	-	3,542	3,542
Advances Out	(1,187)	(1,620)	(433)
<i>Total Other Financing Sources (Uses)</i>	(1,187)	1,922	3,109
Net Change in Fund Balance	-	-	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ -	\$ -

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Preschool Handicap Grant Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Expenditures:			
Support Services:			
Administration	\$ 10,500	\$ -	\$ 10,500
Total Expenditures	10,500	-	10,500
Net Change in Fund Balance	(10,500)	-	10,500
Fund Balance (Deficit) at The Beginning of Year	10,500	10,500	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 10,500	\$ 10,500

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Reducing Class Size Grant Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 89,409	\$ 89,409	\$ -
Total Revenues	89,409	89,409	-
Expenditures:			
Support Services:			
Fiscal	43,442	26,592	16,850
Total Expenditures	43,442	26,592	16,850
<i>Excess of Revenues Over/(Under) Expenditures</i>	45,967	62,817	16,850
Other Financing Sources (Uses):			
Advances Out	(45,967)	(45,967)	-
<i>Total Other Financing Sources (Uses)</i>	(45,967)	(45,967)	-
Net Change in Fund Balance	-	16,850	16,850
Fund Balance (Deficit) at The Beginning of Year	-	-	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 16,850	\$ 16,850

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Misc. Federal Grant Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 3,929	\$ 249,148	\$ 245,219
Total Revenues	3,929	249,148	245,219
Expenditures:			
Current:			
Instruction	113	2,834	(2,721)
Support Services:			
Instructional support	8,491	213,758	(205,267)
Administration	1,049	26,419	(25,370)
Fiscal	190	4,784	(4,594)
Total Expenditures	9,843	247,795	(237,952)
<i>Excess of Revenues Over/(Under) Expenditures</i>	(5,914)	1,353	7,267
Other Financing Sources (Uses):			
Advances Out	(43)	(1,095)	(1,052)
<i>Total Other Financing Sources (Uses)</i>	(43)	(1,095)	(1,052)
Net Change in Fund Balance	(5,957)	258	6,215
Fund Balance (Deficit) at The Beginning of Year	5,957	5,957	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 6,215	\$ 6,215

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Uniform Schools Supplies Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Classroom Materials and Fees	\$ 76,680	\$ 76,729	\$ 49
Total Revenues	76,680	76,729	49
Expenditures:			
Current:			
Instruction	78,375	70,674	7,701
Total Expenditures	78,375	70,674	7,701
Net Change in Fund Balance	(1,695)	6,055	7,750
Fund Balance (Deficit) at The Beginning of Year	1,670	1,670	-
Prior Year Encumbrances Appropriated	25	25	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 7,750	\$ 7,750

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Special Trust Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Extracurricular Activities	\$ 13,011	\$ 13,011	\$ -
Miscellaneous	146	146	-
Total Revenues	13,157	13,157	-
Expenditures:			
Support Services:			
Instructional support	14,944	10,612	4,332
Total Expenditures	14,944	10,612	4,332
Net Change in Fund Balance	(1,787)	2,545	4,332
Fund Balance (Deficit) at The Beginning of Year	1,687	1,687	-
Prior Year Encumbrances Appropriated	100	100	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ 4,332	\$ 4,332

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Taxes	\$ 466,777	\$ 466,778	\$ 1
Total Revenues	466,777	466,778	1
Expenditures:			
Support Services:			
Administration	493	419	74
Fiscal	4,275	3,632	643
Debt Service:			
Principal	582,656	495,000	87,656
Interest	244,328	207,571	36,757
Total Expenditures	831,752	706,622	125,130
<i>Excess of Revenues Over/(Under) Expenditures</i>	(364,975)	(239,844)	125,131
Other Financing Sources (Uses):			
Transfers in	250,000	250,000	-
<i>Total Other Financing Sources (Uses)</i>	250,000	250,000	-
Net Change in Fund Balance	(114,975)	10,156	125,131
Fund Balance (Deficit) at The Beginning of Year	114,976	114,976	-
Fund Balance (Deficit) at The End of Year	<u>\$ 1</u>	<u>\$ 125,132</u>	<u>\$ 125,131</u>

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Taxes	\$ 263,431	\$ 239,491	\$ (23,940)
Total Revenues	263,431	239,491	(23,940)
Expenditures:			
Current:			
Instruction	34,592	22,112	12,480
Support Services:			
Administration	483	309	174
Fiscal	4,405	2,816	1,589
Operation and maintenance of plant	234,956	150,188	84,768
Capital outlay	9,006	5,757	3,249
Total Expenditures	283,442	181,182	102,260
Net Change in Fund Balance	(20,011)	58,309	78,320
Fund Balance (Deficit) at The Beginning of Year	34,492	34,492	-
Prior Year Encumbrances Appropriated	9,459	9,459	-
Fund Balance (Deficit) at The End of Year	<u>\$ 23,940</u>	<u>\$ 102,260</u>	<u>\$ 78,320</u>

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Revenues:			
Intergovernmental	\$ 42,075	\$ 42,075	\$ -
Total Revenues	42,075	42,075	-
Expenditures:			
Current:			
Instruction	42,185	42,185	-
Total Expenditures	42,185	42,185	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	(110)	(110)	-
Net Change in Fund Balance	(110)	(110)	-
Fund Balance (Deficit) at The Beginning of Year	110	110	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ -	\$ -

Eastwood Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Operating Revenues:			
Food services	\$ 470,381	\$ 470,381	\$ -
Total Revenues	470,381	470,381	-
Operating Expenses:			
Personal services - salaries	219,600	219,600	-
Employees retirement and insurance	97,220	97,220	-
Purchased services	2,043	2,043	-
Supplies and materials	268,150	268,150	-
Other objects	1,014	1,014	-
Total Expenses	588,027	588,027	-
<i>Excess of Revenues Over/(Under) Expenses</i>	(117,646)	(117,646)	-
Non Operating Revenues			
Intergovernmental	106,452	106,452	-
Advances In	11,194	11,194	-
<i>Total Other Financing Sources (Uses)</i>	117,646	117,646	-
Net Change in Fund Balance	-	-	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-
Fund Balance (Deficit) at The End of Year	\$ -	\$ -	\$ -

Eastwood Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Field Trips and Rotary Fund
 For the Fiscal Year Ended June 30, 2004*

	Budgeted Amount Final	Actual	Variance with Final Budget Positive/ Negative
Operating Revenues:			
Extracurricular Activities	\$ 27,464	\$ 27,464	\$ -
Total Revenues	27,464	27,464	-
Operating Expenses:			
Other objects	39,210	26,824	12,386
Total Expenses	39,210	26,824	12,386
Net Change in Fund Balance	(11,746)	640	12,386
Fund Balance (Deficit) at The Beginning of Year	11,747	11,747	-
Fund Balance (Deficit) at The End of Year	<u>\$ 1</u>	<u>\$ 12,387</u>	<u>\$ 12,386</u>

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Statistical Section

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Eastwood Local School District
 General Governmental
 Revenue by Source and Expenses/Expenditures by Function (1)
 Last Ten Fiscal Years

	2004		2003		2002 - (1)
	Full Accrual -(1)	Modified Accrual -(1)	Full Accrual -(1)	Modified Accrual -(1)	
Program Revenues					
Charges for Services	\$ 691,769	N/A	\$ 683,351	N/A	N/A
Operating Grants and Contributions	860,379	N/A	152,812	N/A	N/A
Capital Grants and Contributions	42,075	N/A	-	N/A	N/A
General Revenues					
Taxes	5,416,803	5,397,717	4,844,545	\$ 4,816,545	\$ 5,123,473
Intergovernmental	7,621,321	8,460,039	7,839,891	8,075,177	7,690,161
Interest	117,709	117,709	229,635	229,635	285,973
Tuition and Fees	-	206,665	-	229,747	58,382
Classroom Materials and Fees	-	78,105	-	1,493	-
Extracurricular Activities	-	406,999	-	341,574	409,021
Proceeds of Notes	-	-	-	250,000	-
Refund of Prior Year Expenditures	-	-	-	39,998	-
Gain on Sales of Capital Assets	-	-	-	-	848
Miscellaneous	104,469	104,469	133,400	96,173	92,599
Transfer In	-	250,000	-	-	2,475
<i>Total</i>	\$ 14,854,525	\$ 15,021,703	\$ 13,883,634	\$ 14,080,342	\$ 13,662,932
Expenses/Expenditures					
Instructional	\$ 8,307,362	\$ 8,235,795	\$ 8,192,157	\$ 8,193,373	\$ 7,386,824
Supporting Services	5,158,076	5,020,053	4,982,226	4,911,613	4,449,437
Operation of Non-Instructional Services	-	7,232	7,633	7,633	-
Extracurricular Activities	437,178	415,785	512,277	489,157	446,539
Capital Outlay	-	5,757	-	346,563	25,283
Debt Service	190,921	702,571	218,016	454,672	441,744
Transfer Out	-	250,000	-	-	17,295
Other Uses	-	-	-	-	4,795
<i>Total</i>	\$ 14,093,537	\$ 14,637,193	\$ 13,912,309	\$ 14,403,011	\$ 12,771,917

Source: School District Financial Records

(1) Includes General Fund, Special Revenue, Debt Service, and Capital Projects funds for modified accrual and all governmental activities for full accrual.

(2) Information not available.

<u>2001 - (1)</u>	<u>2000- (1)</u>	<u>1999 - (1)</u>	<u>1998 - (1)</u>	<u>1997- (1)</u>	<u>1996 - (1)</u>	<u>1995 - (1)</u>
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$ 7,107,027	\$ 5,008,139	\$ 4,480,540	\$ 4,309,690	\$ 3,801,338	\$ 3,949,251	(2)
7,092,063	6,482,228	6,028,797	5,581,807	4,491,984	4,445,110	(2)
270,264	340,587	271,834	124,520	118,902	93,502	(2)
98,436	81,403	66,124	69,355	125,092	78,365	(2)
3,199	-	-	-	-	-	(2)
424,318	354,871	314,548	241,538	241,204	194,302	(2)
-	-	5,454,462	-	-	450,000	(2)
3,057	7,219	23,322	8,289	2,881	-	(2)
-	472	1,107	69	1,333	102	(2)
82,501	97,256	110,909	132,815	78,955	84,634	(2)
2,604	2,449	2,071	5,556	2,863	4,419	(2)
<u>\$ 15,083,469</u>	<u>\$ 12,374,624</u>	<u>\$ 16,753,714</u>	<u>\$ 10,473,639</u>	<u>\$ 8,864,552</u>	<u>\$ 9,299,685</u>	<u>\$ -</u>
\$ 7,291,152	\$ 5,838,303	\$ 6,282,700	\$ 5,087,996	\$ 4,813,854	\$ 4,903,295	(2)
4,555,453	5,013,801	4,938,385	3,703,309	3,725,101	3,330,235	(2)
-	-	-	-	-	-	(2)
458,443	463,521	295,672	332,250	148,428	295,407	(2)
974,740	3,098,270	300,988	85,395	94,607	29,312	(2)
446,750	511,276	96,390	37,661	18,551	535,488	(2)
7,387	2,449	2,071	11,098	2,863	4,419	(2)
6,168	6,876	6,984	7,383	124,906	11,616	(2)
<u>\$ 13,740,093</u>	<u>\$ 14,934,496</u>	<u>\$ 11,923,190</u>	<u>\$ 9,265,092</u>	<u>\$ 8,928,310</u>	<u>\$ 9,109,772</u>	<u>\$ -</u>

Eastwood Local School District
Property Tax Levies and Collections
Last Ten Calendar Years

<u>Tax Year</u>	<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collection</u>	<u>Total Collection</u>	<u>Percent of Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes To Tax Levy</u>
2003	2004	\$ 4,373,014	\$ 3,985,909	91.1%	\$ 180,146	\$ 4,166,055	95.3%	\$ 206,959	4.7%
2002	2003	4,133,494	3,865,666	93.5%	136,033	3,971,965	96.1%	25,294	0.6%
2001	2002	4,085,575	3,874,877	94.8%	86,563	3,961,440	97.0%	26,366	0.6%
2000	2001	3,941,684	3,792,247	96.2%	97,688	3,889,935	98.7%	14,377	0.4%
1999	2000	3,971,110	3,811,849	96.0%	104,154	3,916,003	98.6%	16,806	0.4%
1998	1999	4,199,137	4,007,844	95.4%	87,030	4,094,874	97.5%	N/A	-
1997	1998	3,846,778	3,707,195	96.4%	87,892	3,795,087	98.7%	N/A	-
1996	1997	3,570,170	3,405,504	95.4%	120,667	3,526,171	98.8%	N/A	-
1995	1996	3,597,861	3,486,233	96.9%	76,540	3,562,773	99.0%	N/A	-
1994	1995	3,238,221	3,083,426	95.2%	119,146	3,202,572	98.9%	N/A	-

Note: The Wood County Treasurer collects property taxes on a calendar-year basis, therefore, the above data has been presented on a calendar-year basis.

Source: Wood County Auditor's Office

Eastwood Local School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Collection Year	Real Property		Public Utility/ Personal Property		Tangible Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	
2004	\$151,386,550	\$432,511,373	\$16,553,740	\$47,294,035	\$13,676,627	\$39,074,123	\$181,616,917	\$518,879,531	35.0
2003	147,827,940	422,344,425	16,433,210	46,949,681	15,088,435	43,107,659	179,349,585	512,401,764	35.0
2002	135,882,700	388,216,874	17,938,570	51,250,494	15,834,930	45,240,395	169,656,200	484,707,763	33.5
2001	133,259,490	380,722,363	22,774,190	65,065,861	15,609,853	44,597,350	171,643,533	490,385,574	33.7
2000	130,331,630	372,357,467	24,032,280	68,660,224	14,449,032	41,280,884	168,812,942	482,298,575	33.9
1999	99,537,330	284,378,152	23,032,280	67,981,715	11,882,492	33,948,280	135,214,612	386,308,146	33.9
1998	96,010,170	274,301,056	23,794,790	69,597,779	10,600,414	30,285,383	130,960,524	374,154,217	34.0
1997	92,863,010	265,309,620	24,349,940	71,129,043	9,942,156	28,404,740	127,701,576	364,843,403	34.0
1996	82,599,300	235,986,200	24,896,410	71,274,808	10,039,609	28,683,163	117,586,339	335,944,171	34.3
1995	80,465,930	229,891,162	31,674,900	90,495,189	9,506,080	27,158,871	121,646,910	347,545,222	34.5

Source: Wood County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor

- (1) This amount is calculated based on the following percentages:
Real property is assessed at 35 percent of actual value.
Public utility/personal property is assessed at 88 percent of actual value.
Tangible personal property is assessed at 25 percent of actual value.

Eastwood Local School District
Property Tax Rates – Direct and Overlapping Governments
(per \$1,000 of Assessed Valuation)
Last Ten Calendar Years

Tax Year	Collection Year	Eastwood School Levy	Wood County Levy	Pemberville Village Levy	Luckey Village Levy	Center Township Levy	Freedon Township Levy	Middleton Township Levy	Montgomery Township Levy	Mid Co. Ambulance District Levy	Penta JVSD Levy	Troy Township Levy	Webster Township Levy	Perrysburg Township Levy	Total Levy
2003	2004	44.70	14.40	2.40	6.50	5.80	6.80	11.70	6.90	10.93	7.40	5.50	2.00	3.20	128.23
2002	2003	44.70	14.40	2.40	6.50	6.80	6.80	9.70	6.90	2.00	2.20	7.40	2.60	10.93	123.33
2001	2002	44.70	14.10	2.40	6.50	7.80	6.80	9.70	6.90	2.50	2.20	7.40	2.60	10.95	124.55
2000	2001	44.70	12.80	2.40	6.50	7.80	6.80	9.70	6.90	2.50	2.20	7.40	2.60	10.95	123.25
1999	2000	44.70	10.80	2.40	6.50	7.80	6.80	9.70	6.90	2.50	2.20	5.60	2.60	10.95	119.45
1998	1999	45.25	12.10	2.70	6.50	7.80	3.80	10.70	6.90	2.50	2.20	5.60	2.60	5.95	114.60
1997	1998	42.80	11.90	2.70	6.50	5.80	3.80	10.70	6.90	2.50	2.20	5.60	2.60	5.95	109.95
1996	1997	42.80	11.90	2.70	6.50	5.80	3.80	10.70	6.90	2.50	2.20	4.60	2.60	5.95	108.95
1995	1996	42.80	11.90	2.80	3.50	5.80	6.10	10.70	6.90	2.50	2.20	4.60	2.60	6.00	108.40
1994	1995	42.80	11.90	2.90	3.50	5.80	6.10	10.70	6.90	2.50	2.20	4.60	2.60	5.98	108.48

Source: Wood County Auditor

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

Eastwood Local School District
Ratio of Net Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
June 30, 2004

<u>Year</u>	<u>Eastwood Local SD Area Population (1)</u>	<u>Assessed Value (2)</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Debt Service Funds Available (1)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2004	9,213	\$181,616,917	\$4,329,692	\$166,356	\$4,163,336	2.29%	\$451.90
2003	9,213	179,349,585	4,574,692	142,252	4,432,440	2.47%	481.11
2002	9,213	169,656,200	4,804,692	141,938	4,662,754	2.75%	506.11
2001	9,213	171,643,533	5,024,692	385,943	4,638,749	2.70%	503.50
2000	9,124	168,812,942	5,244,692	164,996	5,079,696	3.01%	556.74
1999	9,124	135,214,612	5,449,692	164,441	5,285,251	3.91%	579.27
1998	9,124	130,960,524	-	-	-	0.00%	-
1997	9,124	127,701,573	-	-	-	0.00%	-
1996	9,124	117,586,339	-	-	-	0.00%	-
1995	9,124	121,646,910	-	-	-	0.00%	-

Source:

- (1) School District Financial Records
- (2) Wood County, Ohio; County Auditor

Eastwood Local School District
 Computation of Direct and Overlapping
 General Obligation Bonded Debt
 June 30, 2003

Jurisdiction	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct:			
Eastwood Local School District	\$ 4,329,692	100%	\$ 4,329,692
Overlapping:			
Wood County	<u>10,501,572</u>	6.97 %	<u>731,960</u>
Total Overlapping	<u>10,501,572</u>		<u>731,960</u>
Totals:	\$ <u>14,831,264</u>		\$ <u>5,061,652</u>

Source: Wood County Auditor and Eastwood Local School District

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2003 collection year.

Eastwood Local School District
 Computation of Legal Debt Margin
 June 30, 2004

Assessed Valuation	<u>\$181,616,917</u>
Debt Limit – 9% of Assessed Value (1)	\$16,345,523
Less: Amount of Debt Applicable	(4,329,692)
Amount Available in Debt Service Fund	<u>166,356</u>
Overall Debt Margin	<u>\$12,182,187</u>

Debt Limit – 0.10% of Assessed Value (1)	\$181,617
Less: Amount of Debt Applicable	
Amount Available in Debt Service Fund	<u>166,356</u>
Unvoted Debt Margin	<u>\$347,973</u>

Source: Wood County Auditor and School District Financial Records

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

Eastwood Local School District
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to General Government Expenditures
Last Ten Fiscal Years

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service Expenditures To Total Governmental Expenditures
2004	\$ 495,000	\$ 207,571	\$ 702,571	\$ 14,387,193	4.88%
2003	235,000	219,672	454,672	14,403,011	3.16%
2002	220,000	221,744	441,744	12,771,917	3.46%
2001	220,000	226,750	446,750	13,740,093	3.25%
2000	205,000	261,672	466,672	14,934,496	3.12%
1999	-	-	-	11,923,190	0.00%
1998	-	-	-	9,265,092	0.00%
1997	-	-	-	8,932,427	0.00%
1996	-	-	-	9,109,772	0.00%
1995	(a)	(a)	(a)	(a)	(a)

Source: School District Financial Records

Includes expenditures from the General Fund, Special Revenue, Debt Service, and Capital Projects Funds.

(a) information not available for fiscal year ended June 30, 1995

Eastwood Local School District
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Eastwood LSD Area Population (1)</u>	<u>School Enrollment (1)</u>	<u>Wood County Unemployment Rate (2)</u>
2004	9,213	1,902	5.4
2003	9,213	1,981	4.6
2002	9,213	1,900	4.8
2001	9,213	1,919	3.5
2000	9,124	1,924	3.2
1999	9,124	1,905	3.5
1998	9,124	1,900	3.3
1997	9,124	1,887	3.5
1996	9,124	1,843	3.7
1995	9,124	1,821	3.9

Source:

- (1) Eastwood Local School District
- (2) Ohio Bureau of Employment Services

Eastwood Local School District
 Financial Institution Deposits, Property Value and New Construction
 Last Ten Years

Tax Year	Collection Year	Property Values Estimated Actual Value (1)	Financial Institution Bank Deposits (2)	New Construction Assessed Value (1)
2003	2004	\$ 518,879,531	\$ 135,000,000	\$ 48,092,730
2002	2003	512,401,764	593,492,000	2,882,450
2001	2002	484,707,763	533,034,000	2,309,730
2000	2001	490,385,574	483,871,000	2,736,870
1999	2000	482,298,575	444,974,000	3,305,150
1998	1999	386,308,146	920,050,000	3,298,510
1997	1998	374,154,217	1,329,795,000	2,799,920
1996	1997	364,843,403	1,237,991,000	1,882,900
1995	1996	335,944,171	1,254,166,000	1,901,080
1994	1995	347,545,222	1,170,581,000	1,146,000

Sources: (1) Wood County Auditor
 (2) Federal Reserve Bank

Eastwood Local School District
Principal Taxpayers
Real Property Tax
December 31, 2003

Taxpayer	Assessed Value (1)	Percentage of Total Real Property Tax Assessed Value
Troy Villa Limited	\$ 1,696,000	1.12%
Otterbein Homes	1,602,840	1.05%
Modine Manufacturing Co.	1,281,740	0.85%
USF Holland Inc.	882,010	0.58%
County of Wood	735,000	0.49%
Ortan Val T Trustee	354,350	0.23%
Stickel Dale	249,680	0.16%
Hirzel Canning Co	230,960	0.15%
Carpenter Thomas M	221,940	0.15%
Libbe William H Tr	209,210	0.13%
	\$ <u>7,463,730</u>	<u>4.93%</u>
Total Real Property Tax Assessed Valuation	\$ <u>151,386,550</u>	

Sources: Wood County Auditor

(1) Assessed values are for the 2004 collection year

Eastwood Local School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2003

Taxpayer	Assessed Value(1)	Percentage of Total Tangible Personal Property Tax Assessed Value
Modine Manufacturing Co.	\$ 2,155,880	15.76%
Principle Business Enterprise Inc.	1,518,220	11.10%
Helena Chemical	1,192,250	8.72%
Rouen Group Inc.	1,150,960	8.42%
Hirzel Canning	867,540	6.34%
Universal Metal Products	800,210	5.85%
Blako Industries Inc.	773,190	5.65%
Cantwell Machinery Co.	264,200	1.93%
Nollenberger Truck Center	240,280	1.76%
Tire Centers LLC	195,900	1.43%
	\$ <u>9,158,630</u>	<u>66.97%</u>
Total Tangible Personal Property Tax Assessed Valuation	\$ <u><u>13,676,627</u></u>	

Sources: Wood County Auditor

(1) Assessed values are for the 2004 collection year

Eastwood Local School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 2003

Taxpayer	Assessed Value(1)	Percentage of Total Public Utility Tangible Property Tax Assessed Value
Toledo Edison	\$ 5,260,900	31.78%
American Transmission	3,946,820	23.84%
MCI Telecommunications	1,582,510	9.56%
United Telephone	848,800	5.13%
CSX	751,370	4.54%
Columbia Gas	620,340	3.74%
East Ohio Gas Co	518,420	3.13%
Mid Valley Pipeline	513,910	3.10%
Ohio Power	432,500	2.61%
Marathon Ashland Pipeline	371,040	2.24%
	<u>\$ 14,846,610</u>	<u>89.69%</u>
Total Public Utility Tangible Property Tax Assessed Valuation	<u>\$ 16,553,740</u>	

Sources: Wood County Auditor

(1) Assessed values are for the 2004 collection year

Eastwood Local School District
Miscellaneous Statistics
June 30, 2004

Form of Government	Board of Education
Enrollment	1,902
Superintendent of Schools	William G. McFarland
Treasurer	Dave R. Michel
School Buildings:	
Eastwood High School	William Workman
Eastwood Middle School	John Obrock
Lemoyne Elementary	Gary Joe Morgan
Pemberville Elementary	Thomas Lingenfelder
Luckey Elementary	Gary Joe Morgan
Webster Elementary	Thomas Lingenfelder

Sources: School District Financial Records

Eastwood Local School District
Teacher Education and Experience
June 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	10	9.80%
Bachelor + 18 hours	7	6.86%
Bachelor + 30 hours	7	6.86%
Master's Degree	44	43.14%
Master's + 18 Hours	19	18.63%
Master's + 30 Hours	15	14.71%
Master's + 45 Hours	0	0.00%
PHD's	0	0.00%
Total	<u>102</u>	<u>100.00%</u>

<u>Year of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	21	21%
6 - 10	18	18%
11 and Over	63	62%
Total	<u>102</u>	<u>100%</u>

Source: School District Personnel Records

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**Auditor of State
Betty Montgomery**

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800-282-0370

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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
MAY 31, 2005**