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## **NORTHWEST LOCAL SCHOOL DISTRICT**

Single Audit Reports

Year Ended June 30, 2013







# Dave Yost • Auditor of State

Board of Education  
Northwest Local School District  
3240 Banning Rd  
Cincinnati, OH 45239

We have reviewed the *Independent Auditors' Report* of the Northwest Local School District, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2012 through June 30, 2013. 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 Northwest Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 5, 2014

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**NORTHWEST LOCAL SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2013

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u> (Passed through Ohio Department of Education)				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution)</i>				
National School Lunch Program	n/a	10.555	\$ 207,615	207,615
<i>Cash Assistance</i>				
School Breakfast Program	006-000	10.553	1,904,299	1,904,299
National School Lunch Program	006-000	10.555	276,524	276,524
<i>Cash Assistance Subtotal</i>			<u>2,180,823</u>	<u>2,180,823</u>
Nutrition Cluster Total			<u>2,388,438</u>	<u>2,388,438</u>
State Administrative Expenses for Child Nutrition	006-000	10.560	-	49,690
Total U.S. Department of Agriculture			<u>2,388,438</u>	<u>2,438,128</u>
<u>U.S. Department of Education:</u> (Passed through Ohio Department of Education)				
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	572-9201	84.010	147,266	102,295
Title I Grants to Local Educational Agencies	572-9301	84.010	2,121,318	2,395,326
Title I Grants to Local Educational Agencies (Title I Neglected)	572-9302	84.010	1,204	2,669
Title I School Improvement Grant	536-9301	84.010	60,015	61,616
Title I, Part A Cluster Total			<u>2,329,803</u>	<u>2,561,906</u>
Special Education Cluster:				
Special Education - Grants to States	516-9101	84.027	-	2,215
Special Education - Grants to States	516-9201	84.027	407,738	302,777
Special Education - Grants to States	516-9301	84.027	2,053,285	2,118,576
Special Education - Preschool Grants	587-9201	84.173	16,630	232
Special Education - Preschool Grants	587-9301	84.173	30,200	35,908
Special Education Cluster Total			<u>2,507,853</u>	<u>2,459,708</u>
ARRA - Race to the Top	506-9201	84.395	57,094	47,911
ARRA - Race to the Top	506-9301	84.395	197,746	252,281
ARRA - Race to the Top	506-9302	84.395	4,900	4,900
			<u>259,740</u>	<u>305,092</u>
Education Technology State Grants	533-9201	84.318	12,325	6,237
Education Technology State Grants	533-9301	84.318	5,202	5,202
			<u>17,527</u>	<u>11,439</u>
English Language Acquisition Grants	551-9201	84.365	12,540	-
English Language Acquisition Grants	551-9301	84.365	45,781	50,255
			<u>58,321</u>	<u>50,255</u>
Improving Teacher Quality State Grants	590-9201	84.367	49,421	47,622
Improving Teacher Quality State Grants	590-9301	84.367	225,634	235,759
			<u>275,055</u>	<u>283,381</u>
Total U.S. Department of Education			<u>5,448,299</u>	<u>5,671,781</u>
Total Federal Awards			<u>\$ 7,836,737</u>	<u>8,109,909</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The schedule of expenditures of federal awards is a summary of the activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**NOTE C - NUTRITION CLUSTER**

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

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

**INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Northwest Local School District:

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the "School District") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 20, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2013-1 that we consider to be a significant deficiency.

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## **Compliance and Other Matters**

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

## **School District's Response to the Finding**

The School District's response to the finding identified in our audit is described in the accompany schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 20, 2013



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Northwest Local School District:

**Report on Compliance for Each Major Federal Program**

We have audited Northwest Local School District's ("School District") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2013. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

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

***Opinion on Each Major Federal Program***

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013

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## **Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the School District as of and for the year ended June 30, 2013, and have issued our report thereon dated December 20, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 20, 2013

**NORTHWEST LOCAL SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2013

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued:	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes
Noncompliance material to the financial statements noted?	none

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none

Type of auditors’ report issued on compliance for major programs: unmodified

Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133? no

Identification of major programs:

- Special Education Cluster:
  - CFDA 87.027 – *Special Education – Grants to States*
  - CFDA 84.173 – *Special Education – Preschool Grants*
- CFDA 84.395 – *ARRA-Race to the Top*

Dollar threshold to distinguish between Type A and Type B Programs: \$300,000

Auditee qualified as low-risk auditee? yes

## **Section II – Financial Statement Findings**

Finding 2013-1 – Audit Adjustment

**Condition:** During the course of our audit, we identified a misstatement in the financial statements that was not initially identified by the School District's internal control over financial reporting. The audit adjustment was necessary to properly record debt premiums in the Permanent Improvement Fund.

**Recommendation:** We recommend the School District enhance its internal controls over financial reporting in relation to the issuance of debt with steps such as consulting with Bond Counsel to ensure the proper recording of all aspect of a new debt issuance.

**Management's response:** *Management concurs with the finding.*

## **Section III – Federal Award Findings and Questioned Costs**

None Noted

**NORTHWEST LOCAL SCHOOL DISTRICT**  
Schedule of Prior Audit Findings  
Year Ended June 30, 2013

**Finding 2012-1 – Audit Adjustment**

*Prior Year Condition:* Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. During the course of our audit, we identified a misstatement in the financial statements that was not initially identified by the School District's internal control over financial reporting. The audit adjustment was necessary to properly record intergovernmental receivables in the Other Governmental Funds.

*Status:* Repeated as Finding 2013-1

### **Independent Accountants' Report on Applying Agreed-Upon Procedure**

Northwest Local School District  
3240 Banning Road  
Cincinnati, Ohio 45239

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Northwest Local School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy on March 22, 2010 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or "via computer and/or electronic communications devices".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 20, 2013

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013



NORTHWEST LOCAL SCHOOL DISTRICT

CINCINNATI, OHIO



NORTHWEST LOCAL SCHOOL DISTRICT  
CINCINNATI, OHIO

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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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PREPARED BY:  
OFFICE OF THE TREASURER  
RANDALL R. BERTRAM, TREASURER/CFO

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*Northwest Local School District  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013*

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# INTRODUCTORY SECTION







# **NORTHWEST LOCAL SCHOOL DISTRICT**

3240 Banning Road Cincinnati, OH 45239 513-923-1000 Fax: 513-923-3644

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## **BOARD:**

*David Denny, President*  
*Pamela Detzel, Vice President*  
*Jim Detzel, Member*  
*Elaine Gauck, Member*  
*Dan Unger, Member*

*Dr. Andrew Jackson, Superintendent*  
*Randall R. Bertram, Treasurer/CFO*

***December 20, 2013***

***To The Citizens and Board of Education  
of the Northwest Local School District:***

The Comprehensive Annual Financial Report [CAFR] of the Northwest Local School District [School District] for the fiscal year ended June 30, 2013, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Clark, Schaefer, Hackett & Co. and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is with the School District. This report will provide the taxpayers of the Northwest 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 available upon request to taxpayers, financial rating services, banking institutions and other interested parties. The CAFR is also available on the Treasurer's page on the Northwest Local School District website (<http://www.nwlsd.org>).

The School District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and career technical levels; a broad range of cocurricular and extracurricular activities; adult and community education offerings; special education programs and facilities, and community recreational facilities.

The School District receives pass through grants from the State and distributes these grants to parochial/private schools located within the School District. This activity is included in the entity as the Auxiliary Services Special Revenue Fund, because of the School District's administrative involvement in the program. The parochial/private schools served are: Our Lady of Grace, St. Bernard, St. Ignatius, St. James, St. Joseph Villa, St. John Elementary Schools, LaSalle High School, Heaven's Treasures Academy, and Beautiful Savior Lutheran School. While these organizations share operational and services similar with the School District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

## ***ECONOMIC CONDITION AND OUTLOOK***

The School District is located in southwestern Ohio, in a suburb of Cincinnati, in the northwest part of Hamilton County. Our School District is comprised of three Townships, Green, Springfield, and Colerain as the backbone of most of our schools. Approximately 80 percent of the School District's tax base is residential properties with very little agriculture; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area is stagnant under the current economic conditions. Unemployment rates are consistent with national averages. Real estate values are lower than anticipated while optimism for recovery is growing.

With the School District located in a large metropolitan area many of the residents are employed in or near the School District. With many large employers such as Kroger, Proctor & Gamble Co., Children's Hospital and many more, employment opportunities exist in many job fields. On average our residents have above average household incomes thus giving us opportunities for additional financial support. This support was proven by the recent passage of a new levy November 6, 2012.

Although we have realized declining enrollment over the years, this decline has slowed with the potential of increasing once again. Many of our residents are life-long and their children may follow the same tradition of staying in the community. Some of our population data is showing an upward trend in our public education student population. We share our School District boundaries with nine non-public schools with many more within a thirty minute commute thus allowing for a transient school population.

The School District is continually challenged by the responsibility bestowed upon it by the community at large. We are always striving to provide the very best opportunities to every student, while carefully guarding the School District's resources.

## ***THE SCHOOL DISTRICT AND ITS FACILITIES***

The School District is located in Hamilton County, approximately 12 miles from downtown Cincinnati, Ohio, and covers an area of 52 square miles. It serves pupils from Green, Springfield Townships, and Colerain, with Colerain Township serving as its nucleus. Since 1960, the growth pattern in the School District has been steady.

The School District now houses 9,252 students in two high schools, three middle schools, eight elementary schools, one preschool and two career centers. Each high school has an on-campus career center offering such programs as word processing, accounting and computing, data processing, diesel mechanics, machine tool technology, facilities management and electronics offered by Butler Tech. Students also can attend off-site career technical programs offered by Butler Tech.

<b><i>Constructed</i></b>	<b><i>School/Address</i></b>	<b><i>October, 2012 Enrollment</i></b>
1923	Colerain Elementary 4850 Poole Road	861
1932	Colerain Middle School 4700 Poole Road	593
1959	Struble Elementary 2760 Jonrose Avenue	430
1960	Taylor Elementary 3173 Springdale Road	463

1961	White Oak Middle School 3130 Jessup Road	792
1961	Pleasant Run Elementary 11765 Hamilton Avenue	356
<b><i>October, 2012 Constructed</i></b>		
	<b><i>School/Address</i></b>	<b><i>Enrollment</i></b>
1964	Colerain High School 8801 Cheviot Road	1,997
1965	Weigel Elementary 3242 Banning Road	454
1969	Pleasant Run Middle 11770 Pippin Road	787
1970	Bevis Elementary 10133 Pottinger Road	434
1972	Northwest High School 10761 Pippin Road	1,018
1977	Welch Elementary 12084 Deerhorn Drive	398
2000	Monfort Heights Elementary 3711 West Fork Road	669

Houston Elementary School is closed. It is now the Houston Early Learning Center and Conference Center. Welch, Struble and Taylor are primary schools with grades K through 2.

Pleasant Run Elementary, Weigel and Bevis are intermediate schools with grades 3 through 5. Bevis Elementary will be closed in fiscal year 14.

### ***ORGANIZATION OF THE SCHOOL DISTRICT***

The Board of Education is a 5 member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all the general laws of the State of Ohio are followed in the expenditures of the School District's tax dollars and approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions in the community. The board members on June 30, 2013, were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Jim Detzel	January, 2008	December, 2015	Business Owner
Pamela Detzel	January, 1998	December, 2013	Business Owner
David Denny	January, 2010	December, 2013	Business Owner
Elaine Gauck	January, 2010	December, 2013	Business Owner
Dan Unger	January, 2008	December, 2015	Business Executive

The Superintendent is the Chief Executive Officer of the School District, responsible directly to the Board for all educational and support operations. Mr. Richard Glatfelter was appointed Superintendent in 2006 and retired March 31, 2013. Dr. Andrew Jackson was appointed as Superintendent April 1, 2013. Dr. Jackson joined the Northwest family in 2008 where he began as Director of Business Services. Prior to that, he was the Superintendent at Milan Community School Corporation. In 2010, he moved to Director of Curriculum Services. Andrew then went on to become Assistant Superintendent of Business Services and Accountability in 2012. In April 2013, he moved to Superintendent of the Northwest Local School District. Andrew received his Bachelor's Degree in Elementary Education from Indiana University. He also has a Master's, Specialist, and Doctorate degree in Educational Administration from Ball State University.

The Treasurer is the Chief Financial Officer of the School District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all School District funds and assets and investing idle funds as specified by Ohio Law. Mr. Randall R. Bertram was appointed Treasurer of the School District in August, 2008. Mr. Bertram holds an A.A.S. Finance Degree from Sinclair Community College and a B.S. in Business Administration from Urbana University. Mr. Bertram has been in school finance since 2001.

### ***EMPLOYEE RELATIONS***

The School District currently has approximately 1,046 full-time and 10 part-time employees. The number of employees has decreased over the past year due to budget reductions approved by the Board of Education. During the 2013 fiscal year, the School District paid, from its General Fund \$44,547,347 in salaries and wages, and \$16,132,509 in fringe benefits, such as retirement contributions, Medicare taxes, workers' compensation, and life, dental and health benefits.

The School District's teachers are represented for collective bargaining purposes by the Northwest Association of Educators [NAE]. The School District has a three year collective bargaining agreement with NAE which expires June 29, 2014. The School District's transportation employees are represented for collective bargaining purposes by the Ohio Association of Public School Employees [OAPSE]. The School District has a four year collective bargaining agreement with OAPSE which expires June 30, 2015.

## ***SERVICES PROVIDED***

The School District provides a wide variety of educational and support services, as mandated by the Ohio Revised Code or board directives.

Transportation is provided for 5,499 students each day. The School District fleet of 97 buses travels over 5,440 miles each day transporting 73 school bus routes to 25 different sites. In addition to making more than 424 daily runs, the department transported both public and non-public students on 1,736 extra-curricular trips during the year.

The food service department served 800,568 plate lunches and 140,151 breakfasts through the School District's 14 kitchens. This is accomplished through the full operation of 12 kitchens and 2 satellite sites. The School District currently offers a reimbursable breakfast program at eight elementary sites and one middle school site, as well as a la carte breakfast at the School District's two high schools.

In addition to transportation and school lunch support services, students in the School District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

Limited health services are provided by health assistants at each of the 12 school sites under the supervision of a licensed school nurse.

The School District offers regular instructional programs daily to students in grades K-12. There are 368.51 full-time equivalency students in the specific trades through career technical education. Over 1,442 students receive special services due to physical or mental handicapping conditions. In grades 4-8, approximately 256 students participated in the gifted program. The School District presented 733 high school diplomas in 2013.

## ***MAJOR CURRENT AND FUTURE INITIATIVES***

The following is The Mission Statement of the Board that is the guiding force for all initiatives acted upon by the Board:

### **Mission**

***We champion life-long learning, affording all students the knowledge and skills necessary to realize their full potential in life.***

### **Vision**

***We provide quality and innovation in educational programming and instruction, enabling all students to successfully confront the challenges of the future.***

## Beliefs

- *We believe all students are the focus of our endeavors.*
- *We are committed to quality education that challenges students.*
- *We are committed to safe schools that are an integral part of our community.*
- *We are committed to caring, knowledgeable professionals who engage students in innovative learning.*
  - **Strategy 1.A (Curriculum/Instruction Alignment)**
  - Align, implement and monitor scientifically research-based curriculum, instruction and assessment with state’s challenging academic content standards.
  - 
  - **Action Steps**
- *We are committed to the essential involvement of parents in their children’s education.*
- *We are committed to partnerships that enhance students’ ability to connect their education with the world of work and life-long learning.*
- *We encourage students to value others, to be responsive to civic obligations that strengthen our diverse student body and community.*

## **CHALLENGES FOR 2013-2014 AND BEYOND**

- Continue to provide a quality education for each student in the School District
- Continue to align School District curriculum to the new state Academic Content Standards and Common Core Curriculum
- Achieve School District and state targets for student achievement
- Continue to prepare for the PARCC students assessments
- Increase our letter grades on the new state report card
- Recruit and retain quality staff
- Provide time and resources for high quality professional development at the School District and building levels
- Continue to utilize technology to support student learning
- Increase enrichment and intervention opportunities for students K-12

## **SCHOOL DISTRICT GOALS AND STRATEGIES FOR 2013-2014**

### **Goal 1: Academic Achievement**

*By the end of SY2015-16, students in the Northwest Local School District will meet or exceed State goals in all measured categories (Achievement, Gap Closing, Graduation Rate, Progress, K-3 Literacy, and College and Career Readiness).*

### **Strategy 1.A (Curriculum/Instruction Alignment)**

Align, implement and monitor scientifically research-based, curriculum, instruction and assessment with the state’s challenging academic content standards.

#### **Action Steps**

- 1.A.1 Utilize a Building Leadership Team (BLT) to analyze data and recommend changes in instruction.
- 1.A.2 Monitor teacher utilization of the new essential understanding documents (K-12) that align with New State Standards. (RttT- B)



- 1.A.3 Utilize instructional coaches, specialists and/or BLT members to assist teachers in implementing research-based strategies aligned with the Marzano Framework.
- 1.A.4 Review and align School District assessment practices with New State Standards and evaluate readiness for the next generation of assessments. (RttT-B)
- 1.A.5 Require grade/subject based Teacher Based Teams (TBTs) that utilize common protocols (K-12).
- 1.A.6 Utilize formative instructional practices including appropriate grade, content and building-level assessments that inform TBT/BLT discussions and instruction. (RttT-B)
- 1.A.7 Provide access to 21<sup>st</sup> century technology.

**Strategy 1.B (RTI)**

Monitor the continuous use of a Response to Intervention (RTI) Framework throughout the School District.

**Action Steps**

- 1.B.1 Utilize, monitor and respond to data from research based assessment instruments including systems for progress monitoring (i.e.: MAP, DIBELS, AIMS, DMA).
- 1.B.2 Provide targeted intervention programs (tutoring and other supports).
- 1.B.3 Continue implementation of RTI.
- 1.B.4 Utilize research-based intervention materials.
- 1.B.5 Maintain a School District-wide intervention library.
- 1.B.6 Provide instructional coaching on components of RTI through BLTs.
- 1.B.7 Provide transition programs (PreK-K, 2-3, 5-6, 8-9).

**Strategy 1.C (Professional Development)**

Implement a system of professional development that ensures that all teachers are teaching an aligned curriculum that promotes higher level thinking skills, using data to inform instruction and meeting Highly Qualified Teacher Requirements.

**Action Steps**

- 1.C.1 Provide structures for professional development and collaboration (i.e.: early release, release time, summer pay, utilization of waiver days)
- 1.C.2 Support administrators on how embed effective instructional practices aligned to the Marzano Framework in their improvement planning. (RttT-D)
- 1.C.3 Implement components of the new teacher and principal evaluation system in order to improve instruction. (RttT-D)
- 1.C.4 Monitor and evaluate the impact of the new evaluation system requirements on individual buildings in relation to amount of administrative support available to complete teacher/principal evaluations and plan accordingly. (RttT-D)
- 1.C.5 Provide professional development to teachers and administrators on the Ohio Instructional Improvement Systems (IIS), using data to inform instruction, and overall assessment literacy. (RttT-C)
- 1.C.6 Provide continuous professional development to administrators and teachers on formative instructional practices (FIP). (RttT-B)
- 1.C.7 Provide mentors and support to entry-level teachers through a resident educator program.

## **Goal 2: Culture and Climate**

*The Northwest Local School District will provide an environment in which all students are educated in learning environments that are safe, drug-free and conducive to learning. The School District will provide resources and strategies that are designed to reduce suspension and expulsion rates and engage the entire school community in the educational process.*

### **Strategy 2.A (Support Programs)**

Implement and monitor a system of academic and behavior supports for all students.

#### **Action Steps**

- 2.A.1 Implement research-based strategies designed to ensure positive school climates that promote learning for all students as outlined in the Marzano Framework (Rules/Procedures, Student Engagement, High Expectations, Effective Relationships)
- 2.A.2 Continue elementary alternative programs.
- 2.A.3 Continue utilizing a School District Student Support Team.
- 2.A.4 Continue Middle School Transition Teams, Eagles' Gate and Northwest Passage to reduce suspension and expulsion rates; and provide supports for students and families in transition.
- 2.A.5 Provide services and assistance to homeless students.
- 2.A.6 Monitor and respond to gaps in suspension/expulsion rates between identified sub-groups.
- 2.A.7 Provide resources, information and training to parents that will contribute to the academic, emotional and social success of their child.
- 2.A.8 Continue to seek input from the community on critical School District issues through surveys, focus groups, community members on all study teams and continuation of financial advisory and budget teams.
- 2.A.9 Continue implementation of building level anti-bully programs.
- 2.A.10 Meet regularly with a School District-wide crisis team that represents the entire school community and make recommended changes that will ensure a safe school environment.

## **Goal 3: Career and Technical Education**

*Students will be prepared with the academic and technical skills needed to be successful in postsecondary education and the workplace; all students will be provided the career knowledge needed to make informed career-decisions. The School District will work to close the achievement gaps and raise student achievement to meet School District, state, High Schools that Work, Making Middle Grades Work, and federal targets by 2014*

### **Strategy 3.A (Student Supports)**

Implement and monitor a system of academic and behavior supports for all students.

#### **Action Steps**

- 3.A.1 Utilize a building leadership team to analyze building needs, coordinate action steps aligned to the School District improvement plan and monitor the implementation and effectiveness of the building improvement plan.
- 3.A.2 Provide targeted academic and behavioral interventions to middle school students.

## **CURRICULUM AND INSTRUCTION**

Curriculum work centers on student attainment on state academic content standards in mathematics, English language arts, social studies and science. Current work is centered on implementation of the new standards. School District teachers and administrators have collaborated to develop detailed curriculum documents for all grades and subjects that identify key learning goals as well as scales to evaluate attainment of these goals.

All staff participates in job-embedded professional development centered on Formative Instructional Practices. Common reading and math assessments are administered in grades K-12 and common science assessments are administered in grades 3-12. The data from these assessments is used to refine teaching and provide intervention and enrichment for students. The performance of students in various AYP subgroups is particularly studied.

A number of programs have been implemented to assist students in their learning of the academic content standards, particularly in the areas of reading and mathematics. Intervention and Title I tutors work in collaboration with classroom teachers in using data to plan programming for at-risk learners.

The high schools have refined the 7 bell program to provide more time for some students to accomplish the challenging standards necessary for passage of the Ohio Graduation Test. Collaboratives, academies and guided study halls are in place to provide necessary intervention for ninth and tenth graders.

The School District is focused on its goal of improving student achievement. It continues to evaluate the programming needs of its diverse population with the goal of becoming a high performing district and meeting the needs of ALL students.

### ***BUSINESS-SCHOOL PARTNERSHIP PROGRAM***

Partners in Education is a program that brings together businesses and schools in order to address specific educational needs. The business-school partnerships are formal, voluntary relationships between one school and one business. Partnerships match available resources with identified needs to meet mutually agreed upon goals and objectives.

Partnerships provide opportunities for students to understand how the basic skills they learn in school are applied in the business world. However, it is not just the schools that benefit from partnerships. Businesses and their employees also gain from this special relationship, as many schools reciprocate with their own projects which help their corporate or industrial partners. Partnerships also give those in the business community insight into the workings of the school and a better understanding of the needs of the educational system.

### ***LONG-RANGE BUILDING AND MAINTENANCE PLANS***

The School District maintains a five year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance check list. This five year plan provides the School District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection of costs for these projects. Beginning in spring 2008, the School District began a renovation program. During 2012 and 2013 the School District renovated the majority of the top floors of each high school to accommodate Blended Learning Labs for a new instructional initiative. The School District also underwent a School District-wide HB264 Energy Conservation measure during 2013.

### ***FINANCIAL INFORMATION***

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Budgetary basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

## ***INTERNAL ACCOUNTING AND BUDGETARY CONTROL***

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: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) 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 implementation.

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

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted within three months.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board'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 managed at the object account level within a function and fund. All purchase order requests must be approved by the individual program managers and certified by the Treasurer and Business Manager; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the School District provides interim financial reports which detail fiscal year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished monthly reports showing the status of the budget accounts for which he or she is responsible. Each program manager may request additional financial reports during the month when necessary.

As an additional safeguard, all employees involved with receiving and depositing funds are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher bond.

The basis of accounting and the various funds utilized by the School District are fully described in the notes to the basic financial statements. Additional information on the School District's budgetary accounts can also be found in the notes to the basic financial statements.

## ***FINANCIAL CONDITION***

The School District prepares financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 has 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.

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

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

As part of this report, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2013 and the outlook for the future.

### ***INDEPENDENT AUDIT***

Provisions of State statute require that the School District's financial statements be subjected to an annual examination by an independent auditor. The Clark, Schaefer, Hackett & Co.'s unqualified opinion rendered on the School District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The School District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year. The School District is contracted with an IPA through fiscal year 2015 for the annual audit.

### ***AWARDS***

#### ***GFOA Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The School District has received this award annual since fiscal year 1991.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports 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 report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

#### ***ASBO Certificate***

The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

The School District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2012. The School District has received this award annual since fiscal year 1991. The School District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2013, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

**ACKNOWLEDGEMENTS**

The preparation of the 2013 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the School District's Treasurer's Department and the Ohio Auditor of State's Local Government Services Section. The publication of this Comprehensive Annual Financial Report for the School District is a major step in reinforcing the accountability of the School District to the taxpayers of the community.

Respectfully submitted,



Randall R. Bertram  
Treasurer/CFO



Andrew Jackson, Ed. D.  
Superintendent

**Northwest Local School District  
Principal Officials  
June 30, 2013**

**Elected Officials**

David Denny	President, Board of Education
Pamela Detzel	Vice President, Board of Education
Elaine Gauck	Board Member
Dan Unger	Board Member
Jim Detzel	Board Member

**Administrative Office Administrators**

Dr. Andrew Jackson	Superintendent
Mark Farmer	Assistant Superintendent for Curriculum Services
Daniel Lawler	Assistant Director Business Services
Pauletta Crowley	Asst. Director Community & Student Services
Roger Argalas	Assistant Director of Special Education
Gregory Hester	Director of Human Resources
Traci Rea	Asst. Director of Classified Staff and Professional Development
Jennifer Blust	Asst. Director of Curriculum Services and Federal Projects
Fran Morrison	Asst. Director of Sec. Curriculum and Intervention Services
Randall R. Bertram	Treasurer/CFO
Kris Lankford	Assistant Treasurer

**District Supervisors**

Andreas Scheidt	Maintenance
Robert Engel	Transporation
Mary Barnaclo	Special Education
Sandy Blanck	Special Education
Kimberly Jones	Special Education
Cheryl Romans	Food Services
Daniel Hudson	Instructional Accountability Services
Grace Seurkamp	Payroll/Compliance
Kenneth Lewis	Enrollment Services

**Northwest Local School District  
Principal Officials  
June 30, 2013  
(continued)**

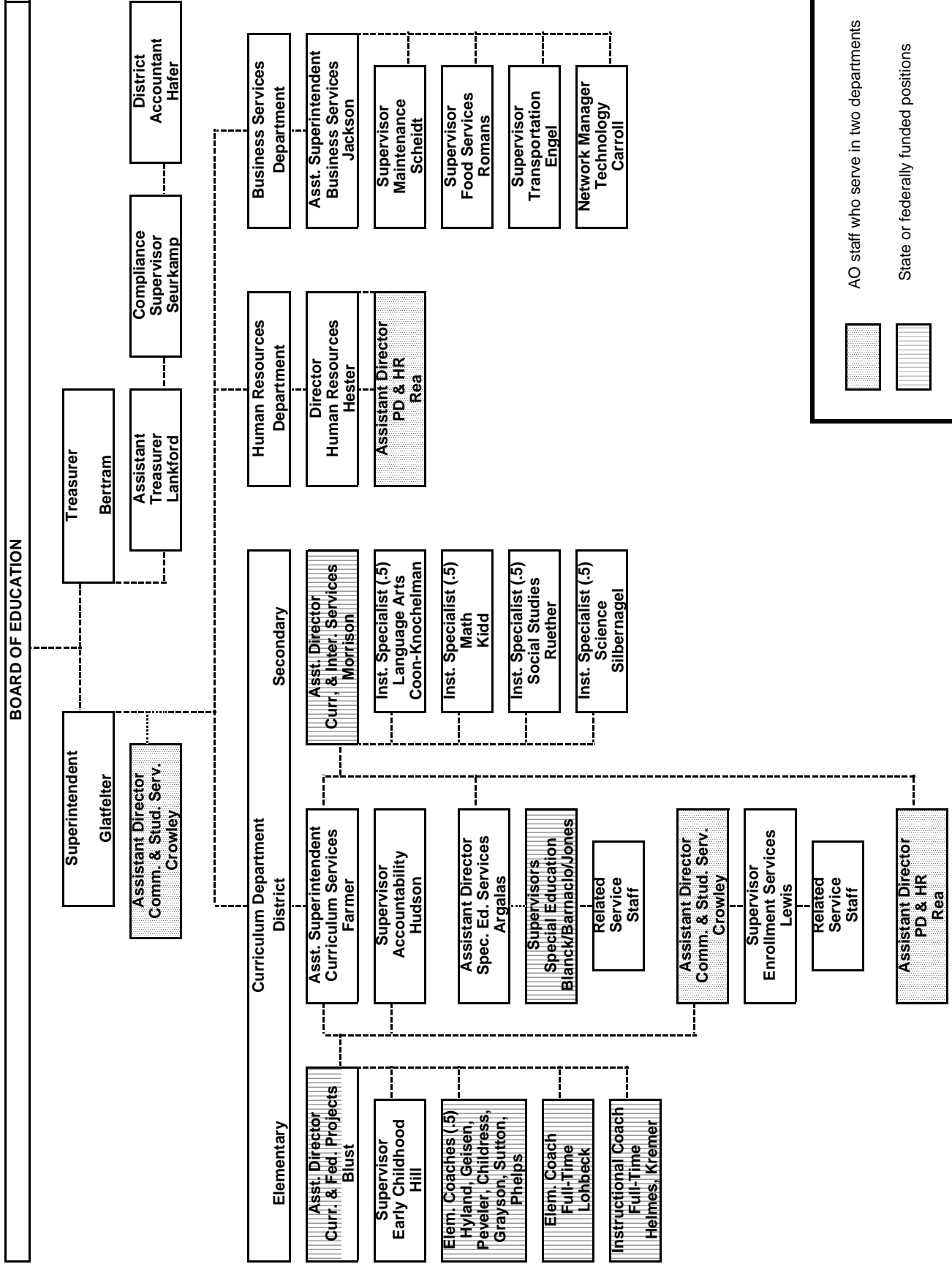
**Curriculum Instructional Specialists and Coordinators**

Karen Helmes	Elementary
Cheryl Kramer	Elementary
Patricia Coon- Knochelmann	Secondary
Shonda Moore	Health Services
Barbara Hill	Early Childhood
Leslie Silbernagel	Secondary
Maureen Ruether	Secondary
Heather Kidd	Secondary
Chris Rabold	Elementary Library



# Northwest Local School District Administrative Center Flow Chart

07-31-13



AO staff who serve in two departments

State or federally funded positions



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Northwest Local School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## Northwest Local School District

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

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# FINANCIAL SECTION



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Northwest Local School District:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the School District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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cincinnati, oh 45202

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p. 513.241.3111  
f. 513.241.1212

## **Opinions**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory section, and statistical section are presented for purposes of additional analysis are not required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 20, 2013



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**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

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The discussion and analysis of Northwest Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's performance.

**Financial Highlights**

Key financial highlights for fiscal year 2013 are as follows:

- Net position of governmental activities increased \$6,503,641 from fiscal year 2012.
- General revenues accounted for \$85,672,260 in revenue or 85 percent of all revenues. Program specific revenues in the form of charges for services, grants or contributions accounted for \$15,618,991 or 15 percent of total revenues of \$101,291,251.
- The School District had \$94,787,610 in expenses related to governmental activities; \$15,618,991 of these expenses was offset by program specific charges for services and operating grants or contributions. General revenues of \$85,926,620 were also used to provide for these programs.

**Overview of the Financial Statements**

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

The statement of net position and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. The School District has two major funds: the General Fund and the Permanent Improvement Fund.

**Governmental-wide Financial Statements**

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2013?" The government-wide financial statements answer this question. These statements include all assets and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting, takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

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These statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the government-wide financial statements, the School District consists of governmental activities, which are reported here including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

**Fund Financial Statements**

Information about the School District's major funds is presented in the fund financial statements (see tables of contents). Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these funds financial statements focus on the School District's most significant funds.

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

**Proprietary Funds:** The School District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service fund accounts for self-insured workers compensation. The proprietary fund uses the accrual basis of accounting.

**Fiduciary Funds:** The School District's only fiduciary funds are agency funds. The School District's fiduciary activities are reported in separate statements of fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

**The School District as a Whole**

As stated previously, the statement of net position looks at the School District as a whole. Table I provides a summary of the School District's net position for fiscal year 2013 compared to fiscal year 2012:

**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

Table 1  
Net Position  
Governmental Activities

	2013	2012	Change
<b>Assets:</b>			
Current and Other Assets	\$90,634,216	\$74,839,336	15,794,880
Capital Assets	28,633,023	21,553,724	7,079,299
<b>Total Assets</b>	<b>119,267,239</b>	<b>96,393,060</b>	<b>22,874,179</b>
<b>Liabilities:</b>			
Other Liabilities	9,914,554	9,621,162	293,392
Long-Term Liabilities	31,889,294	20,974,051	10,915,243
<b>Total Liabilities</b>	<b>41,803,848</b>	<b>30,595,213</b>	<b>11,208,635</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	27,691,556	22,159,608	5,531,948
Payment in Lieu of Taxes	3,399,562	3,769,607	(370,045)
<b>Total Deferred Inflows of Resources</b>	<b>31,091,118</b>	<b>25,929,215</b>	<b>5,161,903</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	4,508,984	4,781,684	(272,700)
Restricted	4,053,067	4,070,811	(17,744)
Unrestricted	37,810,222	31,016,137	6,794,085
<b>Total Net Position</b>	<b>\$46,372,273</b>	<b>\$39,868,632</b>	<b>\$6,503,641</b>



At year-end, capital assets represented 24 percent of total assets. Capital assets include land, buildings and improvements, and equipment. Increases in capital assets are the result of building and educational improvements to all buildings for energy efficiencies and expansions to the blended learning labs at both high schools. Current and other assets increased due to additional taxes being collected from a levy passage, selling construction bonds and receiving proceeds from the certificate of participation bonds used for building improvements. The new debt issuances were not fully spent at the end of fiscal year 2013 as the projects were still on-going.

**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

The School District's new debt issuances increased long-term liabilities while property taxes deferred inflows of resources increased due to the first half collections of the new levy passed in November, 2012.

A portion of the School District's net position, \$4,053,067, represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use. Continued budget reductions and the passage of an emergency levy contribute to the increase in the School District's net position. Net investment in capital assets at June 30, 2013 was \$4,508,984. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's net investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Table 2 shows the changes in net position for fiscal years 2013 and 2012.

Table 2  
Changes in Net Position  
Governmental Activities

	2013	2012	Change
Revenues			
Program Revenues			
Charges for Services	\$4,924,213	\$4,915,512	\$8,701
Operating Grants, Contributions	10,694,778	10,597,997	96,781
General Revenues			
Property Taxes	48,191,036	40,490,616	7,700,420
Grants and Entitlements	32,831,800	34,579,559	(1,747,759)
Other	4,649,424	4,856,901	(207,477)
Total Revenues	<u>101,291,251</u>	<u>95,440,585</u>	<u>5,850,666</u>
Program Expenses			
Instruction	50,043,505	50,229,137	(185,632)
Support Services			
Pupil and Instructional Staff	11,538,555	12,419,419	(880,864)
Board of Education, Administrative Fiscal, and Business	8,459,167	8,170,111	289,056
Operations and Maintenance	7,467,985	6,977,678	490,307
Pupil Transportation	5,020,887	5,030,613	(9,726)
Central	1,651,136	1,615,795	35,341
Operation of Non-Instructional Services	7,467,942	6,495,716	972,226
Extracurricular Activities	1,900,451	1,849,366	51,085
Interest and Fiscal Charges	1,237,982	818,560	419,422
Total Program Expenses	<u>94,787,610</u>	<u>93,606,395</u>	<u>1,181,215</u>

(continued)

**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

Table 2  
Changes in Net Position (continued)  
Governmental Activities

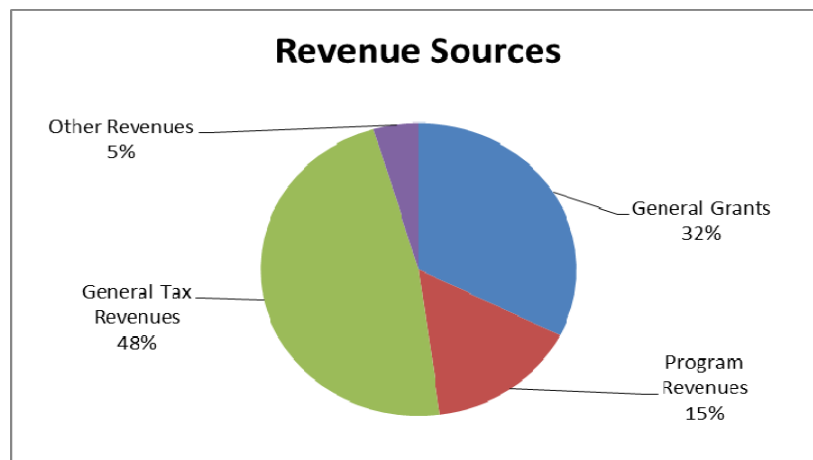
	2013	2012	Change
Change in Net Position	6,503,641	1,834,190	4,669,451
Net Position Beginning of Year	39,868,632	38,034,442	1,834,190
Net Position End of Year	\$46,372,273	\$39,868,632	\$6,503,641

**Governmental Activities**

The School District revenues are mainly from two sources. Property taxes levied for general, capital projects and debt service purposes and grants and entitlements comprised 80 percent of the School District's revenues for governmental activities.

The School District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will 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 the 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 Ohio school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 48 percent of revenue for governmental activities for the School District in fiscal year 2013. The School District's reliance upon tax revenues is demonstrated by the following graph:



General revenues increased mainly due to an increase in property taxes of \$7,700,420. The School District passed an emergency levy November 6, 2012 with the collections starting in January 2013. General revenue grants and

**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

entitlements decreased due to the Educational Jobs Bill expiring at the end of fiscal year 2012 totaling just over \$1,400,000 in prior revenue.

Instruction comprises 53 percent of governmental program expenses. Support services expenses were 36 percent of governmental program expenses. Interest and all other expenses were 11 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

There were decreases in instruction and support services for pupil and instructional staff due to significant budget cuts for fiscal year 2013 approved by the School Board February 27, 2012 totaling \$3,444,359. Operations for Non-Instructional Services increased because of the costs for the State's biennium budget closeout spending requirements. Administrative costs increased due to staff transitioning into administrative positions thus bringing their compensated accrued costs with them.

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

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Instruction	\$50,043,505	\$50,229,137	(\$43,559,684)	(\$44,897,963)
Support Services				
Pupil and Instructional Staff	11,538,555	12,419,419	(9,831,392)	(10,662,283)
Administrative, Board of Education, Fiscal and Business	8,459,167	8,170,111	(7,578,547)	(7,432,657)
Operations and Maintenance	7,467,985	6,977,678	(6,611,785)	(6,249,124)
Pupil Transportation	5,020,887	5,030,613	(4,607,678)	(4,926,371)
Central	1,651,136	1,615,795	(1,651,136)	(1,615,795)
Operation of Non-Instructional Services	7,467,942	6,495,716	(2,794,668)	(305,950)
Extracurricular Activities	1,900,451	1,849,366	(1,295,747)	(1,184,183)
Interest and Fiscal Charges	1,237,982	818,560	(1,237,982)	(818,560)
Total Expense	<u>\$94,787,610</u>	<u>\$93,606,395</u>	<u>(\$79,168,619)</u>	<u>(\$78,092,886)</u>

**The School District's Funds**

The School District has two major governmental funds: the General Fund and the Permanent Improvement Fund. Assets of the General Fund comprised \$70,440,051 (78 percent) of the total \$90,857,563 governmental fund assets. Assets of the Permanent Improvement Fund comprised \$9,392,160 (10 percent).

**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

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**General Fund:** The School District's fund balance at June 30, 2013 was \$31,825,832, including \$30,882,889 of unassigned balance. The primary reason for the \$5,000,029 increase in fund balance was due to continued budget reductions, passing an operating levy and salaries decreased due to increased retirements from the previous year.

**Permanent Improvement:** The School District's fund balance at June 30, 2013 was \$7,461,026, which was all committed. The primary reason for the \$2,035,285 increase in fund balance was due to the School District continuously keeping expenditures well below revenues received for the purpose of increasing this fund balance for future construction projects.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the School District revised the budget in an attempt to deal with changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$81,289,045, compared to original budget estimates of \$76,883,082. Of the \$4,405,963 difference, most was due to the first half property collections from the passage of the new emergency operating levy in November 2012.

The variance in appropriations versus expenditures was expected, giving authority to a greater range of appropriations, knowing that other internal controls will only allow those expenditures, when entirely necessary, coupled with legislative authority by consent of the Board. The Administration and Board of Education have made additional dollars available in many categories in order to facilitate the educational needs of the School District as they arise. With the School District's tight internal controls, additional monies are appropriated in order to allow those individuals in charge to be creative in meeting their students' educational needs. The School District believes that appropriations should be prepared to operate in the best manner to meet the needs of those being educated. It is the School District's goal to allow funds to fully supplement the educational structure doing so in an effective and efficient manner. In times where there is difficulty in maintaining cash balances for two to four months of operation, it is incumbent upon the School District to make necessary resources available so education is not sacrificed. Judgment is used to value, educationally, the cash outlay for the benefit given. Both the Superintendent and the Treasurer of the School District have hands-on oversight of all School District purchases prior to being approved.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

At the end of fiscal year 2013, the School District had \$28,633,023 invested in land, buildings and improvements, and equipment. Table 4 shows fiscal year 2013 balances compared to fiscal year 2012.



**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

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

	Governmental Activities	
	2013	2012
Land	\$3,668,199	\$3,668,199
Buildings and Improvements	22,833,627	16,164,202
Equipment	2,131,197	1,721,323
Total Net Capital Asset	<u>\$28,633,023</u>	<u>\$21,553,724</u>

See Note 9 to the basic financial statements for more details on the School District's capital assets.

***Debt***

At June 30, 2013, the School District had \$28,054,619 in bonds outstanding, \$1,875,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5  
Outstanding Debt, at Year End

	Governmental Activities	
	2013	2012
1998 School Improvement	\$1,030,000	\$1,975,000
2005 Refunded Bonds		
Current Interest Bonds	13,520,000	13,730,000
Capital Appreciation Bonds	720,000	720,000
Accretion of Interest	459,753	383,589
2013 QZAB Bonds	4,000,000	0
2013 Tax-Exempt Bonds	1,390,000	0
2013 Certificates of Participation	6,500,000	0
Premium on Debt	<u>434,866</u>	<u>347,040</u>
Total Debt	<u>\$28,054,619</u>	<u>\$17,155,629</u>

See Note 14 to the basic financial statements for further details on the School District's debt.

**For the Future**

The State's newly passed biennium budget bill for fiscal years 2014 and 2015 will offer our district some increased revenue based on current projections. This revenue could be anywhere from \$500,000 to \$1,200,000 in the first year with another \$500,000 increase the second year. We are optimistic that increases are coming but we still proceed cautiously as the new funding formula is implemented

**Northwest Local School District  
Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2013**

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throughout the first fiscal year. With the realization of the increased revenue from the emergency levy passed in November 2012 and the optimistic new revenue in the current budget bill, the District feels confident that we can maintain a strong financial future while entertaining curriculum improvements that may require financial obligations.

The School District has committed itself to financial excellence for many years. We have received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence on Financial Reporting since 1993.

All of the School District's financial abilities and expertise is needed to meet the challenges of the future. With careful planning and monitoring of the School District's finances, the School District's management team is confident that the School District will continue to provide a quality education for our students while providing a secure financial future.

**Contacting the School District's Financial Management**

This report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Treasurer at Northwest Local School District, 3240 Banning Road, Cincinnati, Ohio 45239.

Northwest Local School District  
Statement of Net Position  
June 30, 2013

	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$36,230,313
Accounts Receivable	46,888
Accrued Interest Receivable	15,279
Inventory Held for Resale	21,867
Intergovernmental Receivable	1,673,774
Payment in Lieu of Taxes Receivable	3,399,562
Property Taxes Receivable	49,246,533
Capital Assets:	
Land	3,668,199
Depreciable Capital Assets, Net	24,964,824
<b>Total Assets</b>	<b>119,267,239</b>
<b>Liabilities:</b>	
Accounts Payable	705,984
Accrued Wages and Benefits Payable	6,582,827
Contracts Payable	771,609
Retainage Payable	46,953
Claims Payable	29,172
Matured Compensated Absences Payable	318,053
Intergovernmental Payable	1,373,275
Accrued Interest Payable	86,681
Long-Term Liabilities:	
Due Within One Year	2,801,645
Due Within More Than One Year	29,087,649
<b>Total Liabilities</b>	<b>41,803,848</b>
<b>Deferred Inflows of Resources:</b>	
Property Taxes	27,691,556
Payment in Lieu of Taxes	3,399,562
<b>Total Deferred Inflows of Resources</b>	<b>31,091,118</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	4,508,984
Restricted for:	
Debt Service	1,711,491
Capital Outlay	661,678
Food Service	182,521
Special Trust	343,916
Career Consultants	11,713
Athletics	302,181
State Grants	122,161
Federal Grants	629,929
Endowment:	
Expendable	8,477
Nonexpendable	79,000
Unrestricted	37,810,222
<b>Total Net Position</b>	<b>\$46,372,273</b>

See accompanying notes to the basic financial statements

Northwest Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$37,962,309	\$1,426,039	\$283,839	(36,252,431)
Special	11,476,171	267,885	4,395,365	(6,812,921)
Vocational	42,406	963	10,367	(31,076)
Student Intervention Services	562,619	14,172	85,191	(463,256)
Support Services:				
Pupils	5,409,943	387,550	335,536	(4,686,857)
Instructional Staff	6,128,612	0	984,077	(5,144,535)
Board of Education	106,612	0	0	(106,612)
Administration	5,879,145	0	880,620	(4,998,525)
Fiscal	2,059,500	0	0	(2,059,500)
Business	413,910	0	0	(413,910)
Operation and Maintenance of Plant	7,467,985	856,200	0	(6,611,785)
Pupil Transportation	5,020,887	28,494	384,715	(4,607,678)
Central	1,651,136	0	0	(1,651,136)
Operation of Non-Instructional Services	7,467,942	1,338,206	3,335,068	(2,794,668)
Extracurricular Activities	1,900,451	604,704	0	(1,295,747)
Interest and Fiscal Charges	1,237,982	0	0	(1,237,982)
<b>Total Governmental Activities</b>	<b>\$94,787,610</b>	<b>\$4,924,213</b>	<b>\$10,694,778</b>	<b>(79,168,619)</b>
 <b>General Revenues:</b>				
Property Taxes Levied for:				
General Purposes				43,920,672
Capital Outlay				2,544,368
Debt Service				1,725,996
Payment in Lieu of Taxes				3,464,114
Investment Earnings				(20,926)
Grants and Entitlements not Restricted to Specific Programs				32,831,800
Gifts and Donations not Restricted to Specific Programs				167,983
Miscellaneous				1,038,253
<b>Total General Revenues</b>				<b>85,672,260</b>
 Change in Net Position				 6,503,641
 Net Position at Beginning of Year				 39,868,632
 Net Position at End of Year				 <b>\$46,372,273</b>

See accompanying notes to the basic financial statements

Northwest Local School District  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$21,465,959	\$6,762,366	\$7,556,699	\$35,785,024
Receivables:				
Property Taxes	44,859,371	2,629,794	1,757,368	49,246,533
Payment in Lieu of Taxes	3,399,562	0	0	3,399,562
Intergovernmental	7,673	0	1,666,101	1,673,774
Accounts	23,571	0	23,317	46,888
Accrued Interest	15,279	0	0	15,279
Interfund	668,636	0	0	668,636
Inventory Held for Resale	0	0	21,867	21,867
<b>Total Assets</b>	<b>\$70,440,051</b>	<b>\$9,392,160</b>	<b>\$11,025,352</b>	<b>\$90,857,563</b>
<b>Liabilities:</b>				
Accounts Payable	\$454,521	\$92,538	\$158,925	\$705,984
Accrued Wages and Benefits Payable	6,141,485	0	441,342	6,582,827
Contracts Payable	0	226,802	544,807	771,609
Retainage Payable	0	0	46,953	46,953
Interfund Payable	0	0	668,636	668,636
Intergovernmental Payable	1,231,298	0	141,977	1,373,275
Matured Compensated Absences Payable	237,456	0	80,597	318,053
<b>Total Liabilities</b>	<b>8,064,760</b>	<b>319,340</b>	<b>2,083,237</b>	<b>10,467,337</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	25,201,219	1,500,588	989,749	27,691,556
Payment in Lieu of Taxes	3,399,562	0	0	3,399,562
Unavailable Revenue	1,948,678	111,206	1,350,033	3,409,917
<b>Total Deferred Inflows of Resources</b>	<b>30,549,459</b>	<b>1,611,794</b>	<b>2,339,782</b>	<b>34,501,035</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	79,000	79,000
Restricted	0	0	7,014,383	7,014,383
Committed	11,000	7,461,026	0	7,472,026
Assigned	931,943	0	0	931,943
Unassigned (Deficit)	30,882,889	0	(491,050)	30,391,839
<b>Total Fund Balances</b>	<b>31,825,832</b>	<b>7,461,026</b>	<b>6,602,333</b>	<b>45,889,191</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$70,440,051</b>	<b>\$9,392,160</b>	<b>\$11,025,352</b>	<b>\$90,857,563</b>

See accompanying notes to the basic financial statements

Northwest Local School District  
 Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2013

**Total Governmental Fund Balances** \$45,889,191

**Amounts reported for governmental activities in the  
 statement of net position is different because:**

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

Land	3,668,199	
Capital assets	72,887,032	
Accumulated depreciation	<u>(47,922,208)</u>	
Net capital assets		28,633,023

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Delinquent Property Taxes	2,124,977	
Intergovernmental	1,274,414	
Interest	<u>10,526</u>	
		3,409,917

The internal service fund is used by management to charge the costs of workers compensation claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

416,117

In the statement of activities, interest is accrued on outstanding general obligation bonds, whereas in governmental funds, an interest expenditure is reported when due.

(86,681)

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

Bonds payable	(15,270,000)	
QZAB payable	(4,000,000)	
Tax-Exempt bonds payable	(1,390,000)	
COPS bonds payable	(6,500,000)	
Premium on debt issue	(434,866)	
Accretion on capital appreciation bonds	<u>(459,753)</u>	
		(28,054,619)

Compensated absences are not due and payable with the current period and therefore, are not reported in the funds.

(3,834,675)

Net Position of Governmental Activities

\$46,372,273

See accompanying notes to the basic financial statements

Northwest Local School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2013

	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$44,404,210	\$2,580,334	\$1,746,038	\$48,730,582
Payment in Lieu of Taxes	3,464,114	0	0	3,464,114
Intergovernmental	31,940,545	451,023	11,073,739	43,465,307
Investment Earnings	(38,164)	0	6,712	(31,452)
Tuition and Fees	1,709,059	0	0	1,709,059
Extracurricular Activities	185,004	0	633,198	818,202
Rent	671,196	0	0	671,196
Gifts and Donations	10,500	0	167,983	178,483
Charges for Services	381,796	0	1,343,960	1,725,756
Miscellaneous	184,892	189,615	663,746	1,038,253
<b>Total Revenues</b>	<b>82,913,152</b>	<b>3,220,972</b>	<b>15,635,376</b>	<b>101,769,500</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	36,719,585	111,345	679,264	37,510,194
Special	8,840,773	0	2,585,816	11,426,589
Vocational	30,932	0	10,841	41,773
Student Intervention Services	471,324	0	90,763	562,087
Support Services:				
Pupils	5,004,041	4,867	436,287	5,445,195
Instructional Staff	5,117,634	3,528	1,010,192	6,131,354
Board of Education	106,610	0	0	106,610
Administration	4,955,988	0	841,870	5,797,858
Fiscal	1,991,290	42,278	28,220	2,061,788
Business	430,116	0	0	430,116
Operation and Maintenance of Plant	6,395,143	284,879	580,071	7,260,093
Pupil Transportation	4,741,665	428,025	108,849	5,278,539
Central	1,602,071	0	0	1,602,071
Operation of Non-Instructional Services	142,752	0	7,282,798	7,425,550
Extracurricular Activities	1,306,049	0	601,532	1,907,581
Capital Outlay	0	290,461	7,330,706	7,621,167
Debt Service:				
Principal Retirement	0	0	1,155,000	1,155,000
Interest and Fiscal Charges	0	150,921	895,906	1,046,827
<b>Total Expenditures</b>	<b>77,855,973</b>	<b>1,316,304</b>	<b>23,638,115</b>	<b>102,810,392</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>5,057,179</b>	<b>1,904,668</b>	<b>(8,002,739)</b>	<b>(1,040,892)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	2,850	0	0	2,850
Bonds Issued	0	0	11,890,000	11,890,000
Premium on Bonds Issued	0	130,617	0	130,617
Transfers In	0	0	60,000	60,000
Transfers Out	(60,000)	0	0	(60,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(57,150)</b>	<b>130,617</b>	<b>11,950,000</b>	<b>12,023,467</b>
<b>Net Change in Fund Balances</b>	<b>5,000,029</b>	<b>2,035,285</b>	<b>3,947,261</b>	<b>10,982,575</b>
<b>Fund Balances at Beginning of Year</b>	<b>26,825,803</b>	<b>5,425,741</b>	<b>2,655,072</b>	<b>34,906,616</b>
<b>Fund Balances at End of Year</b>	<b>\$31,825,832</b>	<b>\$7,461,026</b>	<b>\$6,602,333</b>	<b>\$45,889,191</b>

See accompanying notes to the basic financial statements

Northwest Local School District  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2013

**Net Change in Fund Balances - Total Governmental Funds** \$10,982,575

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital assets additions	8,608,752	
Depreciation expense	(1,526,603)	
Excess of capital outlay expense over depreciation		7,082,149

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

Proceeds from sale of capital assets		(2,850)
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Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent property taxes	(539,546)	
Intergovernmental	50,771	
Interest	10,526	
		(478,249)

The internal service fund is used by management to charge the costs of workers compensation claims to individual funds. The net income of the internal service fund is reported with governmental activities.

(6,959)

Bond proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.

QZAB bonds issued	(4,000,000)	
Tax- Exempt bonds issued	(1,390,000)	
COPS issued	(6,500,000)	
Premium on refunding bonds	(130,617)	
		(12,020,617)

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

Bond principal retirement		1,155,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the statement of activities is the result of the following:

Increase in accrued interest	(157,782)	
Amortization of bond premium	42,791	
Accretion on capital appreciation bonds	(76,164)	
		(191,155)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences		(16,253)
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**Change in Net Position of Governmental Activities** \$6,503,641

See accompanying notes to the basic financial statements



Northwest Local School District  
Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$37,339,545	\$41,679,979	\$41,684,210	\$4,231
Payment in Lieu of Taxes	3,412,199	3,423,619	3,464,114	40,495
Intergovernmental	33,107,616	33,588,450	33,373,885	(214,565)
Investment Earnings	120,148	121,998	120,924	(1,074)
Tuition and Fees	1,389,937	1,411,338	1,392,364	(18,974)
Extracurricular Activities	142,801	145,000	185,004	40,004
Rent	586,880	555,300	671,196	115,896
Gifts and Donations	0	10,000	10,500	500
Charges for Services	388,003	353,361	379,234	25,873
Miscellaneous	395,953	0	185,561	185,561
<b>Total Revenues</b>	<b>76,883,082</b>	<b>81,289,045</b>	<b>81,466,992</b>	<b>177,947</b>
<b>Expenditures:</b>				
Current				
Instruction				
Regular	35,056,348	36,867,568	37,061,370	(193,802)
Special	8,923,853	9,074,638	9,073,939	699
Vocational	52,002	30,995	30,932	63
Student Intervention Services	673,305	485,716	485,633	83
Support Services				
Pupils	5,196,843	5,002,301	5,001,859	442
Instructional Staff	5,807,375	5,131,180	5,130,397	783
Board of Education	166,457	120,671	120,580	91
Administration	5,062,884	5,074,002	5,073,031	971
Fiscal	1,958,385	2,004,104	2,003,933	171
Business	534,382	455,954	454,970	984
Operation and Maintenance of Plant	7,128,280	6,603,457	6,602,844	613
Pupil Transportation	4,679,198	4,723,233	4,723,096	137
Central	1,653,953	1,608,780	1,607,781	999
Operation of Non-Instructional Services	140,480	143,144	142,752	392
Extracurricular Activities	1,355,882	1,311,369	1,310,663	706
<b>Total Expenditures</b>	<b>78,389,627</b>	<b>78,637,112</b>	<b>78,823,780</b>	<b>(186,668)</b>
Excess of Revenues Over (Under) Expenditures	(1,506,545)	2,651,933	2,643,212	(8,721)
<b>Other Financing Sources (Uses):</b>				
Advances In	909,506	350,146	339,154	(10,992)
Advances Out	(380,525)	(634,764)	(634,764)	0
Transfers Out	(148,328)	(150,000)	(150,000)	0
Proceeds from Sale of Capital Assets	2,591	600	2,850	2,250
Refund of Prior Year Expenditures	4,283	4,283	535,218	530,935
<b>Total Other Financing Sources (Uses)</b>	<b>387,527</b>	<b>(429,735)</b>	<b>92,458</b>	<b>522,193</b>
Net Change in Fund Balance	(1,119,018)	2,222,198	2,735,670	513,472
Fund Balance at Beginning of Year	17,006,051	17,006,051	17,006,051	0
Prior Year Encumbrances Appropriated	541,693	541,693	541,693	0
<b>Fund Balance at End of Year</b>	<b>\$16,428,726</b>	<b>\$19,769,942</b>	<b>\$20,283,414</b>	<b>\$513,472</b>

See accompanying notes to the basic financial statements

Northwest Local School District  
Statement of Fund Net Position  
Internal Service Fund  
June 30, 2013

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Workers'  
Compensation Fund

**Assets:**

Current Assets:

Equity in Pooled Cash and Cash Equivalents	<u>\$445,289</u>
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**Liabilities:**

Current Liabilities:

Claims Payable	<u>29,172</u>
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**Net Position:**

Unrestricted	<u>\$416,117</u>
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See accompanying notes to the basic financial statements

Northwest Local School District  
Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2013

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	<u>Workers' Compensation Fund</u>
<b>Operating Revenues:</b>	
Charges for Services	<u>\$229,956</u>
<b>Operating Expenses:</b>	
Purchased Services	46,316
Materials and Supplies	13,600
Claims	175,599
Other	<u>1,400</u>
Total Operating Expenses	<u>236,915</u>
Operating Loss	(6,959)
Net Position at Beginning of Year	<u>423,076</u>
Net Position at End of Year	<u><u>\$416,117</u></u>

See accompanying notes to the basic financial statements

Northwest Local School District  
Statement of Cash Flows  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2013

	Workers' Compensation Fund
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>	
<b>Cash Flows from Operating Activities:</b>	
Interfund Services Provided	\$250,075
Cash Payments to Suppliers for Goods and Services	(61,316)
Cash Payments for Claims	(146,427)
Cash Payments to Others	(1,400)
	40,932
<i>Net Increase in Cash and Cash Equivalents</i>	40,932
<i>Cash and Cash Equivalents at Beginning of Year</i>	404,357
<i>Cash and Cash Equivalents at End of Year</i>	\$445,289
<b>Reconciliation of Operating Loss to Net</b>	
<b>Cash Provided by Operating Activities:</b>	
Operating Loss	(\$6,959)
<b>Adjustments to Reconcile Operating Loss to</b>	
<b>Net Cash Provided by Operating Activities:</b>	
Decrease in Assets:	
Accounts Receivable	20,119
Increase (Decrease) in Liabilities:	
Accounts Payable	(1,400)
Claims Payable	29,172
	47,891
Total Adjustments	47,891
<i>Net Cash Provided by Operating Activities</i>	\$40,932

See accompanying notes to the basic financial statements

Northwest Local School District  
Statement of Fiduciary Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2013

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**Assets:**

Equity in Pooled Cash and Cash Equivalents	<u><u>\$144,899</u></u>
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**Liabilities:**

Due to Students	<u><u>\$144,899</u></u>
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See accompanying notes to the basic financial statements

**Northwest Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT**

The Northwest Local School District (School District) operates under current standards as prescribed by the Ohio State Board of Education as provided in Division (d) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. Presently, the School District operates under a locally elected 5 member Board of Education (Board) as defined by Section 3313.02 of the Ohio Revised Code.

The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditures of the School District's tax dollars. The Board also approves the annual Appropriation Resolution and Tax Budget.

The School District services an area of 52 square miles, including all of Colerain Township, and portions of Green and Springfield Townships. The School District is 99 percent in Hamilton County, and a small area is in Butler County, Ross Township, on its northern boundary line.

The School District currently has approximately 9,252 students enrolled in eight elementary schools, three middle schools, and two senior high schools. The School District has two career centers serving junior and senior students. There are 1,046 full time and 10.5 part-time employees to provide services to the students. The School District is the 2nd largest public school district in Hamilton County and the 19th largest of all school districts in Ohio.

**Reporting Entity**

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

Parochial/Private Schools - Within the School District, Our Lady of Grace, St. Bernard, St. Ignatius, St. James, St. Joseph Villa and St. John Elementary Schools, and LaSalle High School are operated through the Cincinnati Catholic Diocese; Heaven's Treasures Academy and Beautiful Savior Lutheran are operated as a private school. Current State legislation provides funding to these schools. The monies are received and disbursed on behalf of the schools by the School District Treasurer, as directed by the School District's administration. The activities of these State monies by the School District are reflected in the Special Revenue Funds for financial reporting purposes, because the School District has administrative responsibility.

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

**Northwest Local School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

The School District participates in three jointly governed organizations. These organizations are presented in note 16 to the basic financial statements. These organizations are:

Jointly Governed Organizations:  
Southwest Ohio Computer Association  
Butler Technology and Career Development School  
Southwest Ohio Organization of School Health

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles [GAAP] as applied to governmental units. The Governmental Accounting Standards Board [GASB] is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

**Basis of Presentation**

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

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The activity of the Internal Service Fund is eliminated to avoid "doubling up" revenues and expenses. The government-wide financial statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

**Fund Financial Statements**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather

**Northwest Local School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The Internal Service Fund is presented on the face of the proprietary fund statements. Fiduciary funds are reported by type.

**Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into three categories; governmental, proprietary and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses 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 and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The General Fund is the operating fund of the School District and is used to account for and report 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.

Permanent Improvement – The Permanent Improvement is used to account for and report all transactions related to the acquisition, construction or improvement of the infrastructure of buildings and grounds through permanent improvements.

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

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds. The School District created an internal service fund for the operation of its self-insured workers' compensation activities which began in fiscal year 2012.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, 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 not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary fund is an Agency Fund. The School District's Agency Fund accounts for assets and liabilities generated by student managed activities.



**Northwest Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**Measurement Focus**

**Government-wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**Fund Financial Statements**

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

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

**Basis of Accounting**

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

**Revenues – Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “available” means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from

**Northwest Local School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

property taxes is recognized in the fiscal year for which the taxes are levied (see note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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 year-end: property taxes available for advance, grants and interest.

**Deferred Inflows of Resources**

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes, interest and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**Expenses/Expenditures**

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

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

**Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in the pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2013, the School District invested in a money market mutual fund, commercial paper, the State Treasury Asset Reserve of Ohio (STAROhio), repurchase agreements, federal securities, certificates of deposit, certificates of participation and treasury notes. Investments are reported at fair value, which is based on quoted market prices, except for mutual funds, which are based on current share price.

**Northwest Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013**

STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for on June 30, 2013.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue, including a decrease in the fair market value of investments, credited to the General Fund during fiscal year 2013 amounted to (\$38,164), which includes (\$13,218) assigned from other School District funds.

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

**Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable/Payable". Interfund balances are eliminated on the statement of net position.

**Inventory**

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

**Capital Assets**

All capital assets of the School District are those general capital assets related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand five hundred dollars (\$2,500), and a useful life of five years or more. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 50 years
Equipment	5 - 10 years

**Northwest Local School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

**Compensated Absences**

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

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

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account, "Matured Compensated Absences Payable," in the fund from which the employees will be paid.

**Accrued Liabilities and Long-Term Obligations**

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

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

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The "not in a spendable form" criterion includes items that are not expected to be converted to cash.

Restricted – Fund Balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

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Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education, delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Net Position**

Net position represents the difference between all other elements on the statement of net position. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, music, endowment, athletic programs, student activities, and federal and State grants.

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

**Internal Activity**

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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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 are reported as interfund transfers and are eliminated from the statement of activities. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Budgetary Process**

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the certificate that was in effect at the time the final appropriations were passed by the Board of Education

**Bond Premiums and Compounded Interest on Capital Appreciation Bonds**

For governmental activities, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each fiscal year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued. Accretion on the capital appreciation bonds is not reported. Interest on the capital appreciation bonds is recorded as an expenditure when the debt becomes due.

**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 interfund charges for services for workers' compensation self-insurance. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

**Northwest Local School District  
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**Estimates**

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

**NOTE 3 – FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and nonmajor governmental funds are presented below:

Fund Balance	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b><i>Nonspendable:</i></b>				
Endowment Reserve	\$0	\$0	\$79,000	\$79,000
<b><i>Restricted for:</i></b>				
Capital Projects	0	0	4,008,149	4,008,149
Debt Services	0	0	1,846,909	1,846,909
Food Service	0	0	370,931	370,931
Scholarships	0	0	343,916	343,916
Expendable Endowment	0	0	8,477	8,477
Career Consultant Grant	0	0	11,713	11,713
Athletic	0	0	302,181	302,181
Auxiliary Services	0	0	93,303	93,303
Data Communications	0	0	28,804	28,804
<b><i>Total Restricted</i></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$7,014,383</u></b>	<b><u>\$7,014,383</u></b>
<b><i>Committed to:</i></b>				
Underground Storage Tank	11,000	0	0	11,000
Capital Projects	0	7,461,026	0	7,461,026
<b><i>Total Committed</i></b>	<b><u>11,000</u></b>	<b><u>7,461,026</u></b>	<b><u>0</u></b>	<b><u>7,472,026</u></b>
<b><i>Assigned to:</i></b>				
Unpaid Obligations	931,943	0	0	931,943
<b><i>Unassigned (Deficit)</i></b>	<b><u>31,137,249</u></b>	<b><u>0</u></b>	<b><u>(491,050)</u></b>	<b><u>30,646,199</u></b>
<b><i>Total Fund Balance</i></b>	<b><u>\$32,080,192</u></b>	<b><u>\$7,461,026</u></b>	<b><u>\$6,602,333</u></b>	<b><u>\$46,143,551</u></b>

**Northwest Local School District  
Notes to the Basic Financial Statements  
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**NOTE 4 – ACCOUNTABILITY**

At June 30, 2013, the following funds had a deficit fund balance:

Funds	Amounts
Public School Preschool	\$7,788
Vocational Education Enhancement	1,113
Race to the Top	56,764
IDEA-B Special Education	282,184
Title I School Improvement Stimulus A	1,601
Title III	4,474
Title I	77,127
Early Childhood Special Education	5,829
Title II A	54,170
Total	\$491,050

The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 5 - 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 basis) and actual 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 that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. The change in fair value of investments is not included on the budget basis operating statement. This amount is included on the GAAP basis operating statement.
5. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).
6. Budgetary revenues and expenditures of the Uniform School Supplies Fund special revenue funds are classified to the General Fund for GAAP Reporting.



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

Net Change in Fund Balance	General
GAAP Basis	\$5,000,029
Adjustments:	
Revenue Accruals	(683,199)
Expenditure Accruals	(408,138)
Encumbrances	(908,506)
Change in Fair Value of Investments - fiscal year 2013	128,995
Change in Fair Value of Investments - fiscal year 2012	(23,566)
Excess of revenues under expenditures for the Uniform School Supplies Fund	15,665
Advances	(295,610)
Transfers	(90,000)
Budget Basis	\$2,735,670

**NOTE 6 – DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing

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Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

**Investments**

As of June 30, 2013, the School District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Percent of Total Investments</u>
Money Market Mutual Fund	\$81,653	0.00	N/A
Commercial Paper Toyota Motor Credit STAROhio	728,927	0.00	N/A
	35,141	0.16	N/A
Repurchase Agreement	2,089,270	0.00	10%
Federal Home Loan Bank Bonds	4,548,280	1.32	22%
Federal Home Loan Mortgage Corporation	1,104,423	1.57	5%
Federal National Mortgage Association	5,757,603	1.67	28%
Negotiable Certificate of Deposits	2,243,383	0.47	11%
Certificates of Participation	3,462,707	0.23	17%
US Treasury Notes	665,442	0.84	N/A
	<u>\$20,716,829</u>		

Interest Rate Risk - In accordance with the investment policy, to the extent possible, the Treasurer attempts to match the School District's investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the Treasurer will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk – It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The School

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District's investments in Money Market Mutual Fund, Federal Home Loan Mortgage, Federal National Mortgage and Federal Home Loan Bank Bonds were rated AA+ by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investor's Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. Repurchase agreements, which are unrated, shall be transacted only through banks located within the State of Ohio with which the Treasurer has signed a master repurchase agreement as required in Ohio Revised Code 135. The Toyota Motor Credit Commercial Paper is rated A1+/P1 by Standard and Poor's and Moody's.

Concentration of Credit Risk – The School District's investment policy places no limit on the amount it may invest in any one issuer. The percentage that each investment represents of the total investments is listed in the table above.

Custodial Credit Risk – The risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District.

**NOTE 7 – PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Hamilton 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, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2013 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows - property taxes.

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The amount available as an advance at June 30, 2013, was \$17,720,000 in the General Fund, \$1,018,000 in the Permanent Improvement Fund and \$692,000 in the Nonmajor Governmental Funds. The amount available as an advance at June 30, 2012, was \$15,000,000 in the General Fund, \$1,020,000 in the Permanent Improvement Fund and \$665,000 in the Nonmajor Governmental Funds.

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

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second- Half Collections		2013 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,444,372,160	97.60%	\$1,182,021,460	96.67%
Public Utility Personal	35,573,060	2.40%	40,743,160	3.33%
Total Assessed Value	\$1,479,945,220	100.00%	\$1,222,764,620	100.00%
Tax rate per \$1,000 of assessed valuation	\$54.22		\$59.57	

**NOTE 8 – RECEIVABLES**

Receivables at June 30, 2013, consisted of property taxes, payment in lieu of taxes, intergovernmental grants, accounts (rent and student fees), accrued interest and interfund. 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. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

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	Amounts
<u>Governmental Activities:</u>	
Public School Preschool	\$7,842
Vocational Education Enhancement	1,113
Race to the Top	144,549
Idea-B Special Education	498,031
Title I School Improvement Stimulus A	104,985
Title III	5,813
Title I	764,524
Early Childhood Special Education	25,799
Title II A	62,862
National School Expansion	50,583
Miscellaneous	7,673
Total	\$1,673,774

**NOTE 9 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance At 6/30/2012	Additions	Deletions	Balance At 6/30/2013
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$3,668,199	\$0	\$0	\$3,668,199
Capital Assets Being Depreciated:				
Buildings and Improvements	51,782,936	7,753,962	0	59,536,898
Equipment	12,742,761	854,790	(247,417)	13,350,134
Total Capital Assets Being Depreciated	64,525,697	8,608,752	(247,417)	72,887,032
Total Capital Assets At Historical Cost	68,193,896	8,608,752	(247,417)	76,555,231
Less Accumulated Depreciation:				
Buildings and Improvements	(35,618,734)	(1,084,537)	0	(36,703,271)
Equipment	(11,021,438)	(442,066)	244,567	(11,218,937)
Total Accumulated Depreciation	(46,640,172)	(1,526,603) *	244,567	(47,922,208)
Total Capital Assets Being Depreciated, Net	17,885,525	7,082,149	(2,850)	24,964,824
Governmental Activities Capital Assets, Net	\$21,553,724	\$7,082,149	(\$2,850)	\$28,633,023

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$955,258
Special	5,185
Vocational	633
Support Services:	
Pupil	2,054
Instructional Staff	943
Administration	581
Fiscal	230
Business	1,035
Operations and Maintenance	242,609
Pupil Transportation	239,252
Central	15,315
Operation of Non-Instructional Services	58,501
Extracurricular Activities	5,007
Total Depreciation Expense	<u><u>\$1,526,603</u></u>

**NOTE 10 – RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the School District contracted with Ohio Casualty Insurance Company for property and Argonaut for general liability insurance.

Professional liability is protected by Argonaut with \$3,000,000 each occurrence, \$3,000,000 aggregate limit. Vehicles are covered by Argonaut with \$250 deductible for comprehensive and \$500 deductible for collision.

Public official's bond insurance is provided by Cincinnati Insurance Company. The Treasurer is covered by a bond in the amount of \$20,000. The School District Plumber is covered by a bond in the amount of \$1,000.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no change in insurance coverage from last fiscal year.

Beginning in July 2011, the School District began to self-insure its workers' compensation costs. Expenses for claims are recorded on the current cash basis. The School District accounts for the activities of this program in an internal service fund in accordance with GASB No. 10. The School District utilizes the services of Hunter Consulting, the third party administrator, to review, process, and to pay employee claims. The School District also maintains excess insurance coverage which would pay the portion of the claims that exceed \$350,000 per occurrence for all employees.

Incurred but not reported claims and premium of \$29,172 have been accrued as a liability at June 30, 2013, based on an estimate by Hunter Consulting. The claims liability report in the workers' compensation internal service fund at June 30, 2013, is based on the requirement of the Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs,

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including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does nto include other allocated or unallocated claims adjustment expenses.

Changes in self-insurance workers' compensation claims liability for 2012 and 2013 were:

Fiscal Year	Beginning Balance	Current Year Claims	Claim Payments	Ending Balance June 30,
2012	\$0	\$46,448	\$46,448	\$0
2013	0	175,599	146,427	29,172

**NOTE 11 – DEFINED BENEFITS PENSION PLANS**

**School Employees Retirement System of Ohio**

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary, and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2013, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,495,180, \$1,943,017 and \$1,916,199 respectively. For fiscal year 2013, 81.41 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

**State Teachers Retirement System of Ohio**

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based

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on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

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

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The statutory maximum employee contribution rate will be increased one percent each year beginning July 1, 2013, until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2013, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$4,770,978, \$5,446,835 and \$5,678,263, respectively. For fiscal year 2013, 83.63 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2013 was \$102,998 made by the School District and \$73,570 made by the plan members. In addition, member contributions of \$93,639 were made for fiscal year 2013 for the defined contribution portion of the Combined Plan.

**NOTE 12 – POST EMPLOYMENT BENEFITS**

**School Employees Retirement System**

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans, as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are



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included in the SERS Comprehensive Annual Financial Report, which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2013, 0.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2013, this amount was \$20,525. During fiscal year 2013, the School District paid \$191,949 in surcharge.

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

The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$301,212, \$76,333, and \$195,726, respectively. For fiscal year 2013, 81.41 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011, were \$84,784, \$104,090, and \$104,022, respectively. For fiscal year 2013, 81.41 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

**State Teachers Retirement System of Ohio**

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2013, STRS Ohio allocated employer contributions equal to one percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$366,998, \$389,060, and \$405,590, respectively. For fiscal year 2013, 83.63 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2013.

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**NOTE 13 – EMPLOYEE BENEFITS**

**Compensated Absences**

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Employees earn sick leave at the rate of one and one-fourth days per month of employment (up to 15 days per year). Sick leave may be accumulated up to a maximum of 250 days for certified employees, 262 days for administrators and up to 272 days for non-certified employees according to their job classification.

The School District’s policies regarding compensated absences are determined by state laws and/or negotiated agreements. In summary, the policies are as follows:

<b><u>VACATION</u></b>	<b><u>CERTIFIED</u></b>	<b><u>ADMINISTRATORS</u></b>	<b><u>NON-CERTIFIED</u></b>
How earned	Not eligible	15-20 days at start of each contract year	10-20 days for each service year depending on length of service
Maximum Accumulation	Not applicable	60 to 80 days	40 to 80 days
Termination Entitlement	Not applicable	As earned	As earned
<b><u>SICK LEAVE</u></b>	<b><u>CERTIFIED</u></b>	<b><u>ADMINISTRATORS</u></b>	<b><u>NON-CERTIFIED</u></b>
How earned	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)
Maximum Accumulation	250 days	262 days	250 to 272 days according to job classification
Vested	As earned	As earned	As earned
Termination Entitlement	Per contract	Per contract/policy	Per contract/policy

**Insurance**

The School District has elected to provide employee medical/surgical benefits through United Health Care, a primary care access system. The employees share the cost of the monthly premium with the Board. The premium varies with each employee depending on the terms of the union contract.

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The School District provides dental insurance to eligible employees through Dental Care Plus. The School District provides voluntary life and vision insurance at employee's expense. The School District provides life insurance and accidental death and dismemberment insurance to most employees through ING.

**NOTE 14 - LONG-TERM LIABILITIES**

The change in the School District's long-term obligations during fiscal year 2013 consists of the following:

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
Governmental Activities:						
Bonds Payable:						
1998 School Improvement	12/1/2013	\$1,975,000	\$0	\$945,000	\$1,030,000	\$1,030,000
2005 Refunding Bonds:						
Current Interest Bonds	12/1/2022	13,730,000	0	210,000	13,520,000	215,000
Capital Appreciation Bonds	12/1/2015	720,000	0	0	720,000	0
Accretion of Interest		383,589	76,164	0	459,753	0
2013 QZAB Bonds	12/1/2027	0	4,000,000	0	4,000,000	270,000
2013 Tax-Exempt Bonds	12/1/2027	0	1,390,000	0	1,390,000	80,000
2013 Certificates of Participation	12/1/2029	0	6,500,000	0	6,500,000	280,000
Premium on Bonds:						
2005 Refunding Bonds	12/1/2022	347,040	0	36,530	310,510	0
2013 Tax-Exempt Bonds	12/1/2027	0	30,962	1,376	29,586	0
2013 Certificates of Participation	12/1/2029	0	99,655	4,885	94,770	0
Total Bonds		17,155,629	12,096,781	1,197,791	28,054,619	1,875,000
Compensated Absences		3,818,422	620,352	604,099	3,834,675	926,645
Total Governmental Activities		\$20,974,051	\$12,717,133	\$1,801,890	\$31,889,294	\$2,801,645

On March 1, 1998, the School District issued \$25,000,000, 3.7-6.0 percent general obligation bonds. These bonds were issued to fund construction of a new elementary building and various school improvements and will be paid from property taxes.

On November 1, 2005, the School District advance refunded \$15,380,000 in 1998 School Improvement Bonds that were originally for the purpose of new construction, improvements, renovating, and additions to school facilities. In retiring the bonds, \$590,000 in principal payments were made on the refunding bonds before sending the refunding agent the \$15,380,000 to retire the original debt. The \$584,485 premium on the issuance of the refunding bonds is included on this new debt and will be amortized over the life of the new debt with a final maturity date of December 1, 2022. The refunding bonds are not subject to optional redemption prior to maturity. Of the \$15,380,000 issued, \$14,660,000 represents serial bonds and \$720,000 is capital appreciation bonds.

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The bond issues are general obligations of the School District for which the full faith and credit of the School District is pledged for repayment. Payment of principal and interest relating to this liability is recorded as expenditures in the Debt Service Fund.

The School District defeased the 1998 School Improvement Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. On June 30, 2013, \$15,380,000 of bonds outstanding are considered defeased.

The capital appreciation bonds will mature in fiscal year 2016. The final maturity amount of the bonds is \$1,380,000.

On October 29, 2012, the School District issued \$4,000,000 Energy Conservation Limited Tax General Obligation Bonds which are Qualified Zone Academy Bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34). The bonds are being issued for the purpose of financing the energy conservation measures. The bonds were issued at the rate of 3.75 percent, with a maturity at December 1, 2027, with the entire principal balance coming due at maturity. The QZAB does not bear interest. With respect to the payment of the principal amount of the QZAB bonds, the School District has covenanted to set aside amount required to maintain the required sinking fund balance, on December 1 of each year, commencing on December 1, 2013, into the sinking fund account, to be applied to the payment of the principal amount of the QZAB bonds at maturity along with the investment earnings within the sinking fund account. The School District is required to place \$270,000 annually through fiscal year 2018 and \$265,000 annually from fiscal year 2019 through fiscal year 2028. No sinking fund has been established as of June 30, 2013.

On October 29, 2012, the School District issued \$1,390,000 Energy Conservation Limited Tax General Obligation Bonds which are Bank Qualified. The bonds are being issued for the purpose of financing the energy conservation measures. The bonds were issued at the rate of 2.00 percent, with a maturity at December 1, 2027. Payment of principal and interest relating to this liability is recorded as expenditures in the Permanent Improvement Fund.

On September 1, 2012, the School District issued \$6,500,000 Certificates of Participation to finance renovation of Colerain High School and Northwest High School to facilitate a Geophysics STEM program at each location. The COPs issuance included a premium of \$99,655, which will be amortized over the life of the COPs. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased from the PS&W Holding Company. The COPs were issued through a series of annual leases with an initial lease term of 18 years which includes the right to renew for 17 successive one-year terms through December 1, 2029 with termination date of December 1, 2029 subject to annual appropriations. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, annually. The base rent includes an interest component that begins at 2.00 percent. The School District has the option to purchase the renovations in whole or in part, on or after December 1, 2022 at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date fixed for redemption.

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Annual base rent requirements to retire the certificates of participation outstanding at June 30, 2013 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2014	\$280,000	\$170,491	\$450,491
2015	325,000	164,441	489,441
2016	330,000	157,891	487,891
2017	335,000	151,241	486,241
2018	345,000	144,441	489,441
2019-2023	1,830,000	592,369	2,422,369
2024-2028	2,120,000	302,673	2,422,673
2029-2030	935,000	29,166	964,166
Total	<u>\$6,500,000</u>	<u>\$1,712,713</u>	<u>\$8,212,713</u>

The amount of unspent proceeds on bond proceeds at June 30, 2013, for Northwest Local School District is \$4,211,986.

Compensated absences will be paid from the General Fund for governmental activities.

The School District's overall legal debt margin was \$84,735,725 with an unvoted debt margin of \$1,222,765 at June 30, 2013.

The following is a summary of the School District's future annual debt service requirements for general obligations:

Fiscal Year Ending June 30	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$1,245,000	\$652,328	\$1,897,328	\$0	\$0	\$0
2015	1,190,000	590,353	1,780,353	25,000	80,000	\$105,000
2016	100,000	561,578	661,578	695,000	580,000	\$1,275,000
2017	1,405,000	529,370	1,934,370	0	0	\$0
2018	1,500,000	466,913	1,966,913	0	0	\$0
2019-2023	9,110,000	1,102,443	10,212,443	0	0	\$0
Total	<u>\$14,550,000</u>	<u>\$3,902,985</u>	<u>\$18,452,985</u>	<u>\$720,000</u>	<u>\$660,000</u>	<u>\$1,380,000</u>

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Fiscal Year Ending June 30	Tax-Exempt Bonds		
	Principal	Interest	Total
2014	\$80,000	\$28,550	\$108,550
2015	80,000	26,950	\$106,950
2016	85,000	25,300	\$110,300
2017	85,000	23,600	\$108,600
2018	85,000	21,900	\$106,900
2019-2023	465,000	82,300	\$547,300
2024-2028	510,000	31,250	\$541,250
Total	<u>\$1,390,000</u>	<u>\$239,850</u>	<u>\$1,629,850</u>

Fiscal Year Ending June 30	QZAB Bonds		
	Principal	Interest	Total
2014	\$270,000	\$150,000	\$420,000
2015	270,000	150,000	420,000
2016	270,000	150,000	420,000
2017	270,000	150,000	420,000
2018	270,000	150,000	420,000
2019-2023	1,325,000	750,000	2,075,000
2024-2028	1,325,000	675,000	2,000,000
Total	<u>\$4,000,000</u>	<u>\$2,175,000</u>	<u>\$6,175,000</u>

**NOTE 15 – INTERFUND ACTIVITY**

As of June 30, 2013, receivable and payables that resulted from various interfund transactions were as follows:

	Interfund	
	Receivable	Payable
General Fund	\$668,636	\$0
Nonmajor Governmental Funds	0	668,636
Total All Funds	<u>\$668,636</u>	<u>\$668,636</u>

Interfund balances/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

Transfers made during the fiscal year ended June 30, 2013, were as follows:

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	Transfers	
	In	Out
General Fund	\$0	\$60,000
Nonmajor Governmental Funds	60,000	0
Total All Funds	\$60,000	\$60,000

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. During fiscal year 2013, \$60,000 was transferred from the General Fund to Nonmajor Governmental Funds.

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS**

**Southwest Ohio Computer Association**

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), a computer consortium. SWOCA is a jointly governed organization among a seven county consortium of 43 Ohio school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The Board exercises total control over the operations of SWOCA including budgeting, appropriating, contracting and designating management. The Board consists of one representative from each of the participating 43 school districts. The School District paid SWOCA \$128,206 for services provided during the fiscal year. The financial statements for SWOCA are available at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

**Butler Technology and Career Development School**

The Butler Technology and Career Development School is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Butler Technology and Career Development School is not part of the School District and its operations are not included as part of the reporting entity. The Board exercises total control over the operations of the Butler Technology and Career Development School including budgeting, appropriating, contracting and designating management. To obtain financial information, write to Butler Technology and Career Development at 3603 Hamilton-Middletown Rd., Hamilton, Ohio 45011.

**Southwest Ohio Organization of School Health**

The School District is a participant in the Southwest Ohio Organization of School Health (SWOOSH) Council of Government. This cooperative's purpose is to maximize benefits and/or reduce cost of medical, prescription drug, vision, dental, life and/or other group insurance coverage. The initial members are Forest Hills Local School District, Indian Hill Exempted Village School District, Lebanon City School District, Milford Exempted Village School district, Northwest Local School District, West Clermont Local School District and Winton Woods City School District. Each member district has one representative and districts exceeding 500 members will receive an additional representative. The Board exercises total control over the operations of SWOOSH including budgeting, appropriating, contracting

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and designating management. Each School District's degree of control is limited to its representation on the Board.

**NOTE 17 – SET-ASIDES**

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 acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Capital Acquisition
Set Aside Balance as of June 30, 2012	\$0
Current Year Set Aside Requirements	1,557,126
Qualified Disbursements	(1,557,126)
Current Year Offsets	0
Set Aside Balance as of June 30, 2013	\$0

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

**NOTE 18 - DONOR-RESTRICTED ENDOWMENTS**

The School District's Endowment includes donor-restricted endowments. The Net Position: Endowment amount of \$8,477 represents the expendable portion of the endowment. The \$79,000 represents the nonexpendable amount. State law permits the Board of Education to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise.

**NOTE 19 – CONTINGENT LIABILITIES**

**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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.



**Northwest Local School District  
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**Litigation**

The School District is party to legal proceedings. However, no liability has been accrued since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.

**NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year 2013, the School District has implemented Governmental Accounting Standard Board (GASB) *Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements,” Statement No. 61, “The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34,” Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements,” Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” Statement No. 65, “Items Previously Reported as Assets and Liabilities,” and Statement No. 66, “Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62.”*

*GASB Statement No. 60* improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the School District’s financial statements.

*GASB Statement No. 61* modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units (blending vs. discrete presentation, and certain disclosure requirements. The implementation of this statement did not result in any change in the School District’s financial statements.

*GASB Statement No. 62* incorporates into GASB’s authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the School District’s financial statements.

*GASB Statement No. 63* provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the School District’s fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

*GASB Statement No. 65* properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District’s fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

*GASB Statement No. 66* resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the School District’s financial statements.

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**NOTE 21 - SIGNIFICANT COMMITMENTS**

**Contractual Commitments**

The following table provides a summary of the outstanding contractual commitments as of June 30, 2013:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount Remaining</u>
Kramer & Feldman	General contractors blended learning	\$564,943
Interface Americas	Flooring	38,688
CDW Government	Cable Wiring for blended learning	5,280
Dan Lawler	Construction management	28,560
United Electric	Blended learning labs electrical/technology	717,400
ASI, Cincinnati	Room IDs	8,742
Ashley Windows and Doors	Locker addition and replacement	67,571
Ashley Windows and Doors	Restroom renovations	168,604
Central Insulation Systems	Asbestos abatement	33,287
Blau Mechanical	Mechanical/fire protection	255,367
CCA Flooring & Interior	Flooring	39,215
CCA Flooring & Interior	Flooring	30,932
SHP Leading Design	Blending learning labs design	99,832
Trane	HVAC updates	2,265,783
Martin Public Seating	Instructional furniture blended learning labs	317,160

The amount remaining for the above contractors were all encumbered at fiscal year-end except for Dan Lawler in the amount of \$20,000 and Trane in the amount of \$1,435,000.

**Encumbrances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$908,506
Permanent Improvement	725,799
Nonmajor Governmental Funds	4,286,491
Total	\$5,920,796

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Northwest Local School District

Nonmajor Fund Descriptions

*Special Revenue Funds*

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following are descriptions of the School District's nonmajor Special Revenue Funds:

*Nonmajor Special Revenue Funds*

**Food Services Fund** – This fund accounts for and reports revenues restricted to the provision of food services, including breakfast and lunch, for the School District students and staff.

**Special Trust Fund** – This fund accounts for and reports donations restricted for purposes that are beneficial to the overall operation of the School District.

**Career Consultant Grant Fund** – This fund accounts for and reports career consultant restricted gifts and donations from Butler Tech restricted for payment of an employee position that coordinates between the two districts. The employee within this position coordinates the technology, professional development, transportation and other necessary expense for the career programs.

**Athletic Fund** – This fund accounts for and reports those restricted revenues from student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs as well as the band, cheerleaders, drama clubs and other similar types of activities.

**Auxiliary Service Fund** – This fund accounts for and reports state funds restricted providing services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

**Public School Preschool Fund** – This fund accounts for and reports assistance from the State restricted to paying the cost of a pre-school program for three and four year old students.

**SchoolNet Professional Development Fund** – This fund accounts for and reports a limited number of professional development subsidy restricted grants.

Northwest Local School District

Nonmajor Fund Descriptions

*Nonmajor Special Revenue Funds (continued)*

**Vocational Education Enhancement Fund** – This fund accounts for and reports restricted State monies which support vocational education enhancements that expand the number of students enrolled in tech programs, and also enables students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student’s knowledge, skills and credentials to present to future employers, universities, and other training institutes. This fund is also used to replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

**Entry Year Teacher Grant Fund** – This fund accounts for and reports restricted state funds restricted to providing an entry year program for beginning teachers that hold two-year provisional licenses and are teaching in their licensed field.

**Race to the Top Fund** – This fund accounts for and reports restricted grants for either a new program or expansion of an existing program to support initiatives in the following areas: Standards and Assessments; Using Data to Improve Instruction; Grant Teachers and Leaders; and Turning Around the Lowest-Achieving Schools.

**IDEA-B Special Education Fund** – This fund accounts for and reports restricted federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels. Also, to assist in the training of teachers, supervisors and other specialist in providing educational services to the handicapped.

**Title II-D Fund** – This fund accounts for and reports competitive restricted grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21<sup>st</sup> century.

**Title I School Improvement Stimulus A Fund** – This fund accounts for and reports restricted federal monies for economically disadvantaged school districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet state standards.

**Title III Fund** – This fund accounts for and reports restricted federal funds to provide language instruction for limited English proficient and migrant students.

**Title I Fund** – This fund accounts account for and reports restricted federal funds for services provided to meet special education needs of educationally deprived children.

**Drug Free Schools Fund** – This fund accounts for and reports federal funds restricted for the establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

Northwest Local School District

Nonmajor Fund Descriptions

*Nonmajor Special Revenue Funds (continued)*

**Early Childhood Special Education Fund** – This fund accounts for and reports federal funds restricted to provide programs to handicapped preschool children.

**Title II-A Fund** – This fund accounts for and reports federal funds restricted to assisting in the cost of personnel hired to reduce class size in kindergarten through third grade.

**Federal Grants Fund** – This fund accounts for and reports various restricted monies received through State agencies from the federal government, or directly from the federal government, which are not classified elsewhere.

**Uniform School Supplies Fund** – This fund accounts for and reports the purchase and sale of school supplies, such as workbooks, as adopted by the Board of Education. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

**Underground Storage Tank Fund** – This fund accounts for and reports local funds which are provided in the event of an underground storage tank leak. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. This fund had no activity during fiscal year 2013. The beginning balance is \$11,000.

*Debt Service Fund*

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

*Nonmajor Debt Service Fund*

**Debt Service Fund** – This fund accounts for and reports the accumulation of resources restricted for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the School District is obligated in some manner for the payment.

*Permanent Fund*

The permanent fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District, or its citizenry.

Northwest Local School District

Nonmajor Fund Descriptions

*Nonmajor Permanent Fund (continued)*

**Endowment Fund** – This fund accounts for and reports the financial resources that are restricted. Only the income earned can be used for specific purposes.

*Capital Projects Fund*

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust. The following is a description of the School District's nonmajor capital projects fund.

*Nonmajor Capital Projects Fund*

**Building Fund** – This fund accounts for and reports the receipts and expenditures related to all special bond funds in the School District. Expenditures recorded here represent the costs of updating School District buildings.

*Internal Service Fund*

Internal service funds are used to account for and report financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis.

*Nonmajor Internal Service Fund*

**Workers' Compensation Fund** – This fund accounts for and reports receipts and expenses to provide workers' compensation self-insurance to the School District employees.

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,714,404	\$1,154,909	\$87,477	\$4,599,909	\$7,556,699
Receivables:					
Property Taxes	0	1,757,368	0	0	1,757,368
Intergovernmental	1,666,101	0	0	0	1,666,101
Accounts	23,317	0	0	0	23,317
Inventory Held for Resale	21,867	0	0	0	21,867
<b>Total Assets</b>	<b>\$3,425,689</b>	<b>\$2,912,277</b>	<b>\$87,477</b>	<b>\$4,599,909</b>	<b>\$11,025,352</b>
<b>Liabilities:</b>					
Accounts Payable	\$158,925	\$0	\$0	\$0	\$158,925
Accrued Wages and Benefits Payable	441,342	0	0	0	441,342
Contracts Payable	0	0	0	544,807	544,807
Retainage Payable	0	0	0	46,953	46,953
Interfund Payable	668,636	0	0	0	668,636
Intergovernmental Payable	141,977	0	0	0	141,977
Matured Compensated Absences Payable	80,597	0	0	0	80,597
<b>Total Liabilities</b>	<b>1,491,477</b>	<b>0</b>	<b>0</b>	<b>591,760</b>	<b>2,083,237</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	0	989,749	0	0	989,749
Unavailable Revenue	1,274,414	75,619	0	0	1,350,033
<b>Total Deferred Inflows of Resources</b>	<b>1,274,414</b>	<b>1,065,368</b>	<b>0</b>	<b>0</b>	<b>2,339,782</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	79,000	0	79,000
Restricted	1,150,848	1,846,909	8,477	4,008,149	7,014,383
Unassigned (Deficit)	(491,050)	0	0	0	(491,050)
<b>Total Fund Balances</b>	<b>659,798</b>	<b>1,846,909</b>	<b>87,477</b>	<b>4,008,149</b>	<b>6,602,333</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$3,425,689</b>	<b>\$2,912,277</b>	<b>\$87,477</b>	<b>\$4,599,909</b>	<b>\$11,025,352</b>



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Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2013

	Food Services Fund	Special Trust Fund	Career Consultant Grant Fund	Athletic Fund	Auxiliary Service Fund
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$627,433	\$347,608	\$11,713	\$303,843	\$221,844
Receivables:					
Intergovernmental	0	0	0	0	0
Accounts	14,405	732	0	8,180	0
Inventory Held for Resale	21,867	0	0	0	0
<b>Total Assets</b>	<b>\$663,705</b>	<b>\$348,340</b>	<b>\$11,713</b>	<b>\$312,023</b>	<b>\$221,844</b>
<b>Liabilities:</b>					
Accounts Payable	\$2,968	\$4,424	\$0	\$9,667	\$118,610
Accrued Wages and Benefits Payable	187,083	0	0	0	5,290
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	96,111	0	0	175	4,641
Matured Compensated Absences Payable	6,612	0	0	0	0
<b>Total Liabilities</b>	<b>292,774</b>	<b>4,424</b>	<b>0</b>	<b>9,842</b>	<b>128,541</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue	0	0	0	0	0
<b>Fund Balances:</b>					
Restricted	370,931	343,916	11,713	302,181	93,303
Unassigned (Deficit)	0	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>370,931</b>	<b>343,916</b>	<b>11,713</b>	<b>302,181</b>	<b>93,303</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$663,705</b>	<b>\$348,340</b>	<b>\$11,713</b>	<b>\$312,023</b>	<b>\$221,844</b>

Public School Preschool Fund	SchoolNet Professional Development Fund	Vocational Education Enhancement Fund	Race to the Top Fund	IDEA-B Special Education Fund	Title I School Improvement Stimulus A Fund	Title III Fund
\$5,802	\$28,804	\$215	\$6,772	\$140,170	\$0	\$0
7,842	0	1,113	144,549	498,031	104,985	5,813
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$13,644</u>	<u>\$28,804</u>	<u>\$1,328</u>	<u>\$151,321</u>	<u>\$638,201</u>	<u>\$104,985</u>	<u>\$5,813</u>
\$0	\$0	\$215	\$707	\$20,890	\$0	\$0
11,779	0	0	1,316	110,017	0	0
0	0	1,113	61,310	205,410	1,601	4,474
1,811	0	0	203	17,616	0	0
0	0	0	0	73,985	0	0
<u>13,590</u>	<u>0</u>	<u>1,328</u>	<u>63,536</u>	<u>427,918</u>	<u>1,601</u>	<u>4,474</u>
<u>7,842</u>	<u>0</u>	<u>1,113</u>	<u>144,549</u>	<u>492,467</u>	<u>104,985</u>	<u>5,813</u>
0	28,804	0	0	0	0	0
(7,788)	0	(1,113)	(56,764)	(282,184)	(1,601)	(4,474)
<u>(7,788)</u>	<u>28,804</u>	<u>(1,113)</u>	<u>(56,764)</u>	<u>(282,184)</u>	<u>(1,601)</u>	<u>(4,474)</u>
<u>\$13,644</u>	<u>\$28,804</u>	<u>\$1,328</u>	<u>\$151,321</u>	<u>\$638,201</u>	<u>\$104,985</u>	<u>\$5,813</u>

(continued)

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (continued)  
June 30, 2013

	Title I Fund	Early Childhood Special Education Fund	Title II A Fund	Federal Grants Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$18,950	\$0	\$1,250	\$0	\$1,714,404
Receivables:					
Intergovernmental	764,524	25,799	62,862	50,583	\$1,666,101
Accounts	0	0	0	0	\$23,317
Inventory Held for Resale	0	0	0	0	\$21,867
<b>Total Assets</b>	<b>\$783,474</b>	<b>\$25,799</b>	<b>\$64,112</b>	<b>\$50,583</b>	<b>\$3,425,689</b>
<b>Liabilities:</b>					
Accounts Payable	\$73	\$121	\$1,250	\$0	\$158,925
Accrued Wages and Benefits Payable	88,765	0	37,092	0	441,342
Interfund Payable	327,956	5,708	11,374	49,690	668,636
Intergovernmental Payable	15,716	0	5,704	0	141,977
Matured Compensated Absences Payable	0	0	0	0	80,597
<b>Total Liabilities</b>	<b>432,510</b>	<b>5,829</b>	<b>55,420</b>	<b>49,690</b>	<b>1,491,477</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue	428,091	25,799	62,862	893	1,274,414
<b>Fund Balances:</b>					
Restricted	0	0	0	0	1,150,848
Unassigned (Deficit)	(77,127)	(5,829)	(54,170)	0	(491,050)
<b>Total Fund Balances (Deficit)</b>	<b>(77,127)</b>	<b>(5,829)</b>	<b>(54,170)</b>	<b>0</b>	<b>659,798</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$783,474</b>	<b>\$25,799</b>	<b>\$64,112</b>	<b>\$50,583</b>	<b>\$3,425,689</b>

Northwest Local School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$0	\$1,746,038	\$0	\$0	\$1,746,038
Intergovernmental	10,826,129	247,610	0	0	11,073,739
Investment Earnings	1,555	0	0	5,157	6,712
Extracurricular Activities	633,198	0	0	0	633,198
Gifts and Donations	167,233	0	750	0	167,983
Charges for Services	1,343,960	0	0	0	1,343,960
Miscellaneous	102,789	0	0	560,957	663,746
Total Revenues	<u>13,074,864</u>	<u>1,993,648</u>	<u>750</u>	<u>566,114</u>	<u>15,635,376</u>
<b>Expenditures:</b>					
Current					
Instruction:					
Regular	285,683	0	0	393,581	679,264
Special	2,585,816	0	0	0	2,585,816
Vocational	10,841	0	0	0	10,841
Student Intervention Services	90,763	0	0	0	90,763
Support Services:					
Pupils	436,287	0	0	0	436,287
Instructional Staff	1,010,192	0	0	0	1,010,192
Administration	841,870	0	0	0	841,870
Fiscal	0	28,220	0	0	28,220
Operation and Maintenance of Plant	34,584	0	0	545,487	580,071
Pupil Transportation	108,849	0	0	0	108,849
Operation of Non-Instructional Services	7,282,798	0	0	0	7,282,798
Extracurricular Activities	599,532	0	2,000	0	601,532
Capital Outlay	0	0	0	7,330,706	7,330,706
Debt Service					
Principal	0	1,155,000	0	0	1,155,000
Interest	0	717,715	0	178,191	895,906
Total Expenditures	<u>13,287,215</u>	<u>1,900,935</u>	<u>2,000</u>	<u>8,447,965</u>	<u>23,638,115</u>
Excess of Revenues Over (Under) Expenditures	<u>(212,351)</u>	<u>92,713</u>	<u>(1,250)</u>	<u>(7,881,851)</u>	<u>(8,002,739)</u>
<b>Other Financing Sources:</b>					
Bonds Issued	0	0	0	11,890,000	11,890,000
Premium on Bonds Issued	0	0	0	0	0
Transfers In	60,000	0	0	0	60,000
Total Other Financing Sources	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>11,890,000</u>	<u>11,950,000</u>
Net Change in Fund Balances	(152,351)	92,713	(1,250)	4,008,149	3,947,261
Fund Balances at Beginning of Year	<u>812,149</u>	<u>1,754,196</u>	<u>88,727</u>	<u>0</u>	<u>2,655,072</u>
Fund Balances at End of Year	<u>\$659,798</u>	<u>\$1,846,909</u>	<u>\$87,477</u>	<u>\$4,008,149</u>	<u>\$6,602,333</u>

Northwest Local School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2013

	Food Services Fund	Special Trust Fund	Career Consultant Grant Fund	Athletic Fund Fund	Auxiliary Service Fund
<b>Revenues:</b>					
Intergovernmental	\$2,172,729	\$0	\$0	\$0	\$2,627,498
Investment Earnings	0	0	0	0	1,555
Extracurricular Activities	0	0	0	633,198	0
Gifts and Donations	0	127,143	40,090	0	0
Charges for Service	1,332,377	11,583	0	0	0
Miscellaneous	11,995	71,039	0	18,282	0
Total Revenues	<u>3,517,101</u>	<u>209,765</u>	<u>40,090</u>	<u>651,480</u>	<u>2,629,053</u>
<b>Expenditures:</b>					
Current					
Instruction					
Regular	0	4,272	3,792	0	0
Special	0	220	3,965	0	0
Vocational	0	0	10,841	0	0
Student Intervention Services	0	0	0	0	0
Support Services					
Pupils	0	74,376	975	0	0
Instructional Staff	0	0	11,856	0	0
Administration	0	0	0	0	0
Operation and Maintenance of Plant	34,584	0	0	0	0
Pupil Transportation	0	0	0	28,269	0
Operation of Non-Instructional Services	3,519,241	74,676	0	0	2,957,057
Extracurricular Activities	0	0	0	599,532	0
Total Expenditures	<u>3,553,825</u>	<u>153,544</u>	<u>31,429</u>	<u>627,801</u>	<u>2,957,057</u>
Excess of Revenues Over (Under) Expenditures	(36,724)	56,221	8,661	23,679	(328,004)
<b>Other Financing Sources:</b>					
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>	<u>0</u>
Net Change in Fund Balances	(36,724)	56,221	8,661	83,679	(328,004)
Fund Balances (Deficit) at Beginning of Year	<u>407,655</u>	<u>287,695</u>	<u>3,052</u>	<u>218,502</u>	<u>421,307</u>
Fund Balances (Deficit) at End of Year	<u>\$370,931</u>	<u>\$343,916</u>	<u>\$11,713</u>	<u>\$302,181</u>	<u>\$93,303</u>

Public School Preschool Fund	SchoolNet Professional Development Fund	Vocational Education Enhancement Fund	Entry Year Teacher Grant Fund	Race to the Top Fund	IDEA-B Special Education Fund	Title II-D Fund
\$158,817	\$25,200	\$1,887	\$0	\$259,740	\$2,466,591	\$17,528
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	1,473	0	0	0
158,817	25,200	1,887	1,473	259,740	2,466,591	17,528
0	8,859	0	0	4,900	0	0
137,277	0	0	0	0	764,198	0
0	0	0	0	0	0	0
0	0	0	0	0	90,763	0
0	0	0	0	0	341,649	0
0	0	3,000	305	298,746	23,657	10,091
0	0	0	0	0	714,434	0
0	0	0	0	0	0	0
0	0	0	0	0	80,580	0
0	0	0	0	0	511,268	525
0	0	0	0	0	0	0
137,277	8,859	3,000	305	303,646	2,526,549	10,616
21,540	16,341	(1,113)	1,168	(43,906)	(59,958)	6,912
0	0	0	0	0	0	0
21,540	16,341	(1,113)	1,168	(43,906)	(59,958)	6,912
(29,328)	12,463	0	(1,168)	(12,858)	(222,226)	(6,912)
(\$7,788)	\$28,804	(\$1,113)	\$0	(\$56,764)	(\$282,184)	\$0

(continued)

Northwest Local School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2013

	Title I School Improvement Stimulus A Fund	Title III Fund	Title I Fund	Drug Free Schools Fund
<b>Revenues:</b>				
Intergovernmental	\$60,016	\$58,322	\$2,606,221	\$0
Investment Earnings	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Charges for Service	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	<u>60,016</u>	<u>58,322</u>	<u>2,606,221</u>	<u>0</u>
<b>Expenditures:</b>				
Current				
Instruction				
Regular	0	0	0	0
Special	58,729	47,844	1,560,597	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services				
Pupils	0	0	0	0
Instructional Staff	2,888	2,410	644,422	0
Administration	0	0	127,436	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	163,124	116
Extracurricular Activities	0	0	0	0
Total Expenditures	<u>61,617</u>	<u>50,254</u>	<u>2,495,579</u>	<u>116</u>
Net Change in Fund Balances	(1,601)	8,068	110,642	(116)
<b>Other Financing Sources:</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(1,601)	8,068	110,642	(116)
Fund Balances (Deficit) at Beginning of Year	<u>0</u>	<u>(12,542)</u>	<u>(187,769)</u>	<u>116</u>
Fund Balances (Deficit) at End of Year	<u>(\$1,601)</u>	<u>(\$4,474)</u>	<u>(\$77,127)</u>	<u>\$0</u>



Early Childhood Special Education Fund	Title II A Fund	Federal Grants Fund	Total Nonmajor Special Revenue Funds
\$46,835	\$275,055	\$49,690	\$10,826,129
0	0	0	1,555
0	0	0	633,198
0	0	0	167,233
0	0	0	1,343,960
0	0	0	102,789
<u>46,835</u>	<u>275,055</u>	<u>49,690</u>	<u>13,074,864</u>
0	263,860	0	285,683
12,986	0	0	2,585,816
0	0	0	10,841
0	0	0	90,763
19,287	0	0	436,287
3,607	9,210	0	1,010,192
0	0	0	841,870
0	0	0	34,584
0	0	0	108,849
0	7,101	49,690	7,282,798
0	0	0	599,532
<u>35,880</u>	<u>280,171</u>	<u>49,690</u>	<u>13,287,215</u>
10,955	(5,116)	0	(212,351)
<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
10,955	(5,116)	0	(152,351)
<u>(16,784)</u>	<u>(49,054)</u>	<u>0</u>	<u>812,149</u>
<u>(\$5,829)</u>	<u>(\$54,170)</u>	<u>\$0</u>	<u>\$659,798</u>

Northwest Local School District

Agency Fund Description

**Agency Fund**

**Student Activity** – This fund accounts for and reports student activity programs which have student participation in the activity and have students involved in the management of the program.

Northwest Local School District  
Statement of Changes in Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2013

	Balance at June 30, 2012	Additions	Deductions	Balance at June 30, 2013
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$146,130	\$170,880	\$172,111	\$144,899
Accounts Receivable	99	0	99	0
Total Assets	<u>\$146,229</u>	<u>\$170,880</u>	<u>\$172,210</u>	<u>\$144,899</u>
<b>Liabilities:</b>				
Accounts Payable	\$2,284	\$0	\$2,284	\$0
Claims Payable	122,902	0	122,902	0
Due to Students	21,043	170,880	47,024	144,899
Total Liabilities	<u>\$146,229</u>	<u>\$170,880</u>	<u>\$172,210</u>	<u>\$144,899</u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Permanent Improvement Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$2,582,724	\$2,582,334	(\$390)
Intergovernmental	449,181	451,023	1,842
Total Revenues	<u>3,031,905</u>	<u>3,033,357</u>	<u>1,452</u>
<b>Expenditures:</b>			
Current			
Instruction			
Regular	633,313	233,743	399,570
Support Services			
Pupils	17,467	4,867	12,600
Instructional Staff	3,528	3,528	0
Fiscal	42,303	42,278	25
Operation and Maintenance of Plant	2,238,632	385,143	1,853,489
Pupil Transportation	434,700	430,050	4,650
Capital Outlay	2,360,848	807,590	1,553,258
Debt Service			
Interest and Fiscal Charges	229,809	150,921	78,888
Total Expenditures	<u>5,960,600</u>	<u>2,058,120</u>	<u>3,902,480</u>
Excess of Revenues Over (Under) Expenditures	(2,928,695)	975,237	3,903,932
<b>Other Financing Sources:</b>			
Refund of Prior Year Expenditures	224,376	224,991	615
Net Change in Fund Balance	(2,704,319)	1,200,228	3,904,547
Fund Balance at Beginning of Year	2,663,007	2,663,007	0
Prior Year Encumbrances Appropriated	2,042,715	2,042,715	0
Fund Balance at End of Year	<u><u>\$2,001,403</u></u>	<u><u>\$5,905,950</u></u>	<u><u>\$3,904,547</u></u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Food Service Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$2,229,376	\$2,226,544	(\$2,832)
Charges for Services	1,330,293	1,331,095	802
Total Revenues	<u>3,559,669</u>	<u>3,557,639</u>	<u>(2,030)</u>
<b>Expenditures:</b>			
Current			
Board of Education	3,005	0	3,005
Operation and Maintenance of Plant	41,300	33,601	7,699
Operation of Non-Instructional Services	3,406,820	3,241,899	164,921
Total Expenditures	<u>3,451,125</u>	<u>3,275,500</u>	<u>175,625</u>
Excess of Revenues Over Expenditures	108,544	282,139	173,595
<b>Other Financing Uses:</b>			
Refund of Prior Year Receipts	<u>(16,000)</u>	<u>(16,000)</u>	<u>0</u>
Net Change in Fund Balance	92,544	266,139	173,595
Fund Balance at Beginning of Year	351,764	351,764	0
Prior Year Encumbrances Appropriated	<u>364</u>	<u>364</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$444,672</u></u>	<u><u>\$618,267</u></u>	<u><u>\$173,595</u></u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Special Trust Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Gifts and Donations	\$190,693	\$126,411	(64,282)
Charges for Services	11,583	11,583	0
Miscellaneous	80,641	75,719	(4,922)
Total Revenues	<u>282,917</u>	<u>213,713</u>	<u>(69,204)</u>
<b>Expenditures:</b>			
Current			
Instruction			
Regular	16	0	16
Special	567	220	347
Support Services			
Pupils	120,780	82,546	38,234
Operation of Non-Instructional Services	254,764	77,153	177,611
Total Expenditures	<u>376,127</u>	<u>159,919</u>	<u>216,208</u>
Net Change in Fund Balance	(93,210)	53,794	147,004
Fund Balance at Beginning of Year	282,777	282,777	0
Prior Year Encumbrances Appropriated	4,818	4,818	0
Fund Balance at End of Year	<u>\$194,385</u>	<u>\$341,389</u>	<u>\$147,004</u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Career Consultant Grant Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Gifts and Donations	\$40,090	\$40,090	\$0
<b>Expenditures:</b>			
Current			
Instruction			
Regular	5,000	5,000	0
Special	4,100	3,965	135
Vocational	16,532	11,281	5,251
Other	2,500	0	2,500
Support Services			
Pupils	2,666	1,087	1,579
Instructional Staff	12,710	11,856	854
Total Expenditures	43,508	33,189	10,319
Excess of Revenues Over (Under) Expenditures	(3,418)	6,901	10,319
<b>Other Financing Sources (Uses):</b>			
Advances Out	(7,025)	(7,025)	0
Other Financing Sources	2,025	0	(2,025)
Total Other Financing Sources (Uses)	(5,000)	(7,025)	(2,025)
Net Change in Fund Balance	(8,418)	(124)	8,294
Fund Balance at Beginning of Year	5,021	5,021	0
Prior Year Encumbrances Appropriated	5,496	5,496	0
Fund Balance at End of Year	\$2,099	\$10,393	\$8,294

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Athletic Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Extracurricular Activities	\$767,964	\$633,032	(\$134,932)
Miscellaneous	15,561	11,801	(3,760)
Total Revenues	<u>783,525</u>	<u>644,833</u>	<u>(138,692)</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Board of Education	5,800	0	5,800
Pupil Transportation	70,511	47,729	22,782
Extracurricular Activities	841,154	656,038	185,116
Total Expenditures	<u>917,465</u>	<u>703,767</u>	<u>213,698</u>
Excess of Revenues Under Expenditures	<u>(133,940)</u>	<u>(58,934)</u>	<u>75,006</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	60,000	60,000
Refund of Prior Year Receipts	(5,800)	(5,800)	0
Total Other Financing Sources (Uses)	<u>(5,800)</u>	<u>54,200</u>	<u>60,000</u>
Net Change in Fund Balance	(139,740)	(4,734)	135,006
Fund Balance at Beginning of Year	207,350	207,350	0
Prior Year Encumbrances Appropriated	<u>33,041</u>	<u>33,041</u>	<u>0</u>
Fund Balance at End of Year	<u>\$100,651</u>	<u>\$235,657</u>	<u>\$135,006</u>



Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	Auxiliary Service Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$2,627,498	\$2,627,498	\$0
Investment Earnings	1,555	1,555	0
Total Revenues	<u>2,629,053</u>	<u>2,629,053</u>	<u>0</u>
<b>Expenditures:</b>			
Current			
Operation of Non-Instructional Services	<u>3,183,987</u>	<u>3,183,987</u>	
Net Change in Fund Balance	(554,934)	(554,934)	0
Fund Balance at Beginning of Year	333,154	333,154	0
Prior Year Encumbrances Appropriated	<u>221,780</u>	<u>221,780</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	Public School Preschool Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$166,659	\$158,817	(\$7,842)
<b>Expenditures:</b>			
Current			
Instruction			
Special	166,788	153,144	13,644
Net Change in Fund Balance	(129)	5,673	5,802
Fund Balance at Beginning of Year	129	129	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$5,802</u>	<u>\$5,802</u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$25,200	\$25,200	\$0
<b>Expenditures:</b>			
Current			
Instruction			
Regular	25,063	8,859	16,204
Net Change in Fund Balance	137	16,341	16,204
Fund Balance at Beginning of Year	12,463	12,463	0
Fund Balance at End of Year	\$12,600	\$28,804	\$16,204

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	Vocational Education Enhancement Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$3,000	\$1,887	(\$1,113)
<b>Expenditures:</b>			
Current			
Support Services			
Instructional Staff	3,000	3,000	0
Excess of Revenues Over (Under) Expenditures	0	(1,113)	(1,113)
<b>Other Financing Sources:</b>			
Advances In	0	1,113	1,113
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	Entry Year Teacher Grant Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>	\$0	\$0	\$0
<b>Expenditures:</b>			
Current			
Support Services			
Instructional Staff	360	360	0
Net Change in Fund Balance	(360)	(360)	0
Fund Balance at Beginning of Year	360	360	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	Race to the Top Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$404,289	\$259,740	(\$144,549)
<b>Expenditures:</b>			
Current			
Instruction			
Regular	4,900	4,900	0
Support Services			
Instructional Staff	390,205	306,966	112,121
Total Expenditures	395,105	311,866	112,121
Excess of Revenues Over (Under) Expenditures	9,184	(52,126)	(61,310)
<b>Other Financing Sources (Uses):</b>			
Advances In	0	61,310	61,310
Advances Out	(29,678)	(29,678)	0
Total Other Financing Sources (Uses)	(29,678)	31,632	61,310
Net Change in Fund Balance	(20,494)	(20,494)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	20,494	20,494	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	IDEA-B Special Education Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$2,959,054	\$2,461,027	(\$498,027)
<b>Expenditures:</b>			
Current			
Instruction			
Special	864,199	738,931	125,268
Student Intervention Services	97,005	90,763	6,242
Support Services			
Pupils	433,911	434,708	(797)
Instructional Staff	29,121	24,324	4,797
Administration	747,614	640,449	107,165
Pupil Transportation	80,580	80,580	0
Operation of Non-Instructional Services	600,619	552,347	48,272
Total Expenditures	2,853,049	2,562,102	290,947
Excess of Revenues Over (Under) Expenditures	106,005	(101,075)	(207,080)
<b>Other Financing Sources (Uses):</b>			
Refund of Prior Year Receipts	(23,121)	(23,121)	0
Advances In	0	205,410	205,410
Advances Out	(210,606)	(210,606)	0
Total Other Financing Sources (Uses)	(233,727)	(28,317)	205,410
Net Change in Fund Balance	(127,722)	(129,392)	(1,670)
Fund Balance at Beginning of Year	2,209	2,209	0
Prior Year Encumbrances Appropriated	127,183	127,183	0
Fund Balance at End of Year	\$1,670	\$0	(\$1,670)

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Title II-D Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$17,528	\$17,528	\$0
<b>Expenditures:</b>			
Current			
Support Services			
Instructional Staff	10,090	10,090	0
Operation of Non-Instructional Services	1,350	1,350	0
Total Expenditures	11,440	11,440	0
Excess of Revenues Over Expenditures	6,088	6,088	0
<b>Other Financing Uses:</b>			
Advances Out	(6,913)	(6,913)	0
Net Change in Fund Balance	(825)	(825)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	825	825	0
Fund Balance at End of Year	\$0	\$0	\$0



Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	Title I School Improvement Stimulus A Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$165,000	\$60,016	(\$104,984)
<b>Expenditures:</b>			
Current			
Instruction			
Special	123,300	58,729	64,571
Support Services			
Instructional Staff	41,700	2,888	38,812
Total Expenditures	165,000	61,617	103,383
Excess of Revenues Over (Under) Expenditures	0	(1,601)	(1,601)
<b>Other Financing Sources:</b>			
Advances In	0	1,601	1,601
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Title III Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$64,136	\$58,322	(\$5,814)
<b>Expenditures:</b>			
Current			
Instruction			
Special	48,316	47,844	472
Support Services			
Instructional Staff	2,795	2,410	385
Operation of Non-Instructional Services	483	0	483
Total Expenditures	51,594	50,254	1,340
Excess of Revenues Over Expenditures	12,542	8,068	(4,474)
<b>Other Financing Sources (Uses):</b>			
Advances In	0	4,474	4,474
Advances Out	(18,643)	(18,643)	0
Total Other Financing Sources (Uses)	(18,643)	(14,169)	4,474
Net Change in Fund Balance	(6,101)	(6,101)	0
Fund Balance at Beginning of Year	6,101	6,101	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Title I Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$3,034,312	\$2,269,788	(\$764,524)
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	1,817,953	1,579,076	238,877
Support Services:			
Instructional Staff	860,183	647,262	212,921
Administration	131,222	127,486	3,736
Operation of Non-Instructional Services	179,761	165,081	14,680
Total Expenditures	<u>2,989,119</u>	<u>2,518,905</u>	<u>470,214</u>
Excess of Revenues Over (Under) Expenditures	45,193	(249,117)	(294,310)
<b>Other Financing Sources (Uses):</b>			
Advances In	0	294,084	294,084
Advances Out	(47,661)	(47,661)	0
Total Other Financing Sources (Uses)	<u>(47,661)</u>	<u>246,423</u>	<u>294,084</u>
Net Change in Fund Balance	(2,468)	(2,694)	(226)
Fund Balance at Beginning of Year	347	347	0
Prior Year Encumbrances Appropriated	<u>2,690</u>	<u>2,690</u>	<u>0</u>
Fund Balance at End of Year	<u>\$569</u>	<u>\$343</u>	<u>(\$226)</u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	Drug Free Schools Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>	\$0	\$0	\$0
<b>Expenditures:</b>			
Current			
Operation of Non-Instructional Services	116	116	0
Net Change in Fund Balance	(116)	(116)	0
Fund Balance at Beginning of Year	116	116	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Early Childhood Special Education Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$72,631	\$46,831	(\$25,800)
<b>Expenditures:</b>			
Current			
Instruction			
Special	25,764	13,246	12,518
Support Services			
Pupils	23,832	19,287	4,545
Instructional Staff	6,636	3,607	3,029
Total Expenditures	56,232	36,140	20,092
Excess of Revenues Over Expenditures	16,399	10,691	(5,708)
<b>Other Financing Sources (Uses):</b>			
Advances In	0	5,708	5,708
Advances Out	(16,829)	(16,829)	0
Total Other Financing Sources (Uses)	(16,829)	(11,121)	5,708
Net Change in Fund Balance	(430)	(430)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	430	430	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Title II-A Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$337,917	\$275,055	(\$62,862)
<b>Expenditures:</b>			
Current			
Instruction			
Regular	311,235	267,777	43,458
Support Services			
Instructional Staff	16,039	9,752	6,287
Operation of Non-Instructional Services	8,844	7,101	1,743
Total Expenditures	336,118	284,630	51,488
Excess of Revenues Over (Under) Expenditures	1,799	(9,575)	(11,374)
<b>Other Financing Sources (Uses):</b>			
Advances In	0	11,374	11,374
Advances Out	(1,799)	(1,799)	0
Total Other Financing Sources (Uses)	(1,799)	9,575	11,374
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 For the Fiscal Year Ended June 30, 2013

	Federal Grants Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental	\$50,583	\$0	(\$50,583)
<b>Expenditures:</b>			
Current			
Operation of Non-Instructional Services	50,583	49,690	893
Excess of Revenues Over (Under) Expenditures	0	(49,690)	(49,690)
<b>Other Financing Sources:</b>			
Advances In	0	49,690	49,690
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Uniform School Supplies Fund		
	Final Budget	Actual Budget	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Tuition and Fees	\$264,212	\$333,172	\$68,960
<b>Expenditures:</b>			
Current			
Instruction			
Regular	633,432	579,171	54,261
Support Services			
Instructional Staff	13,843	11,449	2,394
Board of Education	1,600	0	1,600
Total Expenditures	648,875	590,620	58,255
Excess of Revenues Under Expenditures	(384,663)	(257,448)	127,215
<b>Other Financing Sources:</b>			
Transfers In	90,000	90,000	0
Net Change in Fund Balance	(294,663)	(167,448)	127,215
Fund Balance at Beginning of Year	307,827	307,827	0
Prior Year Encumbrances Appropriated	9,872	9,872	0
Fund Balance at End of Year	\$23,036	\$150,251	\$127,215



Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Debt Service Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$1,720,165	\$1,719,038	(\$1,127)
Intergovernmental	246,947	247,610	663
Total Revenues	<u>1,967,112</u>	<u>1,966,648</u>	<u>(464)</u>
<b>Expenditures:</b>			
Current			
Support Services			
Fiscal	30,000	28,220	1,780
Debt Service			
Principal Retirement	1,155,000	1,155,000	0
Interest and Fiscal Charges	717,715	717,715	0
Total Expenditures	<u>1,902,715</u>	<u>1,900,935</u>	<u>1,780</u>
<b>Other Financing Sources:</b>			
Refund of Prior Year Expenditures	<u>20,636</u>	<u>20,636</u>	<u>0</u>
Net Change in Fund Balance	85,033	86,349	1,316
Fund Balance at Beginning of Year	<u>1,068,560</u>	<u>1,068,560</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,153,593</u></u>	<u><u>\$1,154,909</u></u>	<u><u>\$1,316</u></u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Endowment Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Gifts and Donations	\$750	\$750	\$0
<b>Expenditures:</b>			
Current			
Support Services			
Pupils	32,743	0	32,743
Extracurricular Activities	55,984	2,000	53,984
Total Expenditures	88,727	2,000	86,727
Excess of Revenues Under Expenditures	(87,977)	(1,250)	86,727
Fund Balance at Beginning of Year	88,727	88,727	0
Fund Balance at End of Year	\$750	\$87,477	\$86,727

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Building Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$25,200	\$5,157	(\$20,043)
Miscellaneous	557,114	560,957	3,843
Total Revenues	<u>582,314</u>	<u>566,114</u>	<u>(16,200)</u>
<b>Expenditures:</b>			
Current			
Instruction			
Regular	1,108,799	1,108,799	0
Support Services			
Operation and Maintenance of Plant	612,172	612,172	0
Capital Outlay	9,513,581	9,528,051	(14,470)
Debt Service			
Interest and Fiscal Charges	0	178,191	(178,191)
Total Expenditures	<u>11,234,552</u>	<u>11,427,213</u>	<u>(192,661)</u>
Excess of Revenues (Under) Expenditures	<u>(10,652,238)</u>	<u>(10,861,099)</u>	<u>(208,861)</u>
<b>Other Financing Sources:</b>			
Bonds Issued	11,840,351	11,890,000	(49,649)
Premium on Bonds Issued	0	130,617	(130,617)
Total Financing Sources	<u>11,840,351</u>	<u>12,020,617</u>	<u>(180,266)</u>
Net Change in Fund Balances	1,188,113	1,159,518	(28,595)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,188,113</u>	<u>\$1,159,518</u>	<u>(\$28,595)</u>

Northwest Local School District  
Schedule of Revenues, Expenses and Changes  
In Fund Equity - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2013

	Workers' Compensation Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Service	\$250,347	\$250,075	(\$272)
<b>Operating Expenses:</b>			
Fringe Benefits	20,663	0	20,663
Purchased Services	67,587	54,510	13,077
Materials and Supplies	13,600	13,600	0
Claims	147,101	146,427	674
Other	10,400	10,400	0
Total Operating Expenses	259,351	224,937	34,414
Net Change in Fund Equity	(9,004)	25,138	34,142
Fund Equity at Beginning of Year	370,132	370,132	0
Prior Year Encumbrances Appropriated	34,225	34,225	0
Fund Equity at End of Year	\$395,353	\$429,495	\$34,142

Statistical Section





## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b>	S2-S15
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	S16-S23
These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	S24-S27
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S28-S29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<b>Operating Information</b>	S30-S36
These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year.

Northwest Local School District  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 1

	2004	2005	2006	2007
Governmental Activities				
Net Investment in Capital Assets	\$4,263,966	\$3,896,572	\$3,063,084	\$2,440,916
Restricted	4,996,925	4,984,928	4,911,775	4,812,592
Unrestricted	13,113,564	17,057,579	17,619,488	17,931,886
Total Net Position	<u>\$22,374,455</u>	<u>\$25,939,079</u>	<u>\$25,594,347</u>	<u>\$25,185,394</u>

Source: School District Records



<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$2,857,440	\$3,408,154	\$4,824,453	\$5,225,512	\$4,781,684	\$4,508,984
3,098,772	4,545,762	4,294,401	5,209,988	4,070,811	4,053,067
15,918,949	21,200,605	22,468,679	27,598,942	31,016,137	37,810,222
<u>\$21,875,161</u>	<u>\$29,154,521</u>	<u>\$31,587,533</u>	<u>\$38,034,442</u>	<u>\$39,868,632</u>	<u>\$46,372,273</u>

Northwest Local School District  
Expenses, Program Revenues and Net (Expense)/Revenue  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Schedule 2

	2004	2005	2006	2007
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$1,166,566	\$1,644,304	\$1,463,778	\$1,497,076
Pupil	0	0	0	11,279
Operation and Maintenance	89,511	66,853	55,309	50,200
Pupil Transportation	0	0	0	0
Operation of Non-instructional Services	2,379,197	2,087,637	2,052,682	2,014,390
Extracurricular Activities	638,082	710,061	631,218	671,898
Operating Grants and Contributions	7,540,130	8,299,035	10,407,779	10,858,280
Capital Grants and Contributions	2,050,671	186,207	269,047	173,314
Total Government Revenues	<u>13,864,157</u>	<u>12,994,097</u>	<u>14,879,813</u>	<u>15,276,437</u>
Expenses				
Governmental Activities:				
Instruction	\$48,139,681	\$50,233,149	\$48,903,070	\$49,828,614
Pupil	4,300,406	4,370,329	4,740,911	4,850,602
Instructional Staff	5,885,152	5,941,773	5,770,458	5,840,176
Board of Education	91,142	161,901	241,656	281,111
School Administration	5,356,327	5,640,900	5,446,475	5,855,802
Fiscal	1,530,072	1,550,991	1,483,369	1,558,363
Business	574,334	594,917	699,841	507,244
Operation and Maintenance	7,559,219	7,817,898	8,272,465	8,033,869
Pupil Transportation	4,330,044	4,391,526	4,589,238	4,819,635
Central	1,421,910	1,493,134	1,211,509	1,272,167
Operation of Non-instructional Services	5,914,723	6,857,202	6,535,203	6,686,349
Extracurricular Activities	1,662,910	1,766,543	1,821,170	1,915,193
Interest and Fiscal Charges	1,190,385	1,166,792	1,529,534	1,008,515
Total Government Expenses	<u>87,956,305</u>	<u>91,987,055</u>	<u>91,244,899</u>	<u>92,457,640</u>
Total Government Net Expense	<u>(\$74,092,148)</u>	<u>(\$78,992,958)</u>	<u>(\$76,365,086)</u>	<u>(\$77,181,203)</u>

Source: School District Records

2008	2009	2010	2011	2012	2013
\$1,597,900	\$1,592,934	\$1,869,950	\$1,641,647	\$1,585,050	\$1,709,059
11,664	16,349	14,785	23,810	394,526	387,550
45,217	617,093	613,381	809,126	708,595	856,200
0	0	46,465	57,404	53,205	28,494
1,988,401	1,947,625	1,709,506	1,603,407	1,508,953	1,338,206
901,362	804,655	643,017	789,862	665,183	604,704
10,087,921	11,795,565	15,592,209	16,183,531	10,597,997	10,694,778
193,001	184,366	32,008	0	0	0
14,825,466	16,958,587	20,521,321	21,108,787	15,513,509	15,618,991
\$56,945,019	\$49,951,460	\$52,481,465	\$52,123,019	\$50,229,137	\$50,043,505
4,636,660	5,191,242	5,864,785	5,918,209	5,761,067	5,409,943
5,769,942	5,774,646	6,168,524	7,479,306	6,658,352	6,128,612
183,505	93,830	178,161	131,907	173,452	106,612
5,745,910	6,041,145	5,688,140	6,071,446	5,576,976	5,879,145
1,603,973	1,807,516	1,593,129	2,091,931	1,970,661	2,059,500
671,137	720,409	583,823	600,034	449,022	413,910
8,570,818	7,029,199	7,821,491	7,905,720	6,977,678	7,467,985
4,901,006	4,595,467	5,078,256	5,248,647	5,030,613	5,020,887
1,665,530	1,586,120	1,970,404	1,783,588	1,615,795	1,651,136
7,133,882	8,306,507	6,746,827	7,231,875	6,495,716	7,467,942
1,568,962	1,861,017	1,861,932	2,009,970	1,849,366	1,900,451
993,695	964,410	915,785	867,155	818,560	1,237,982
100,390,039	93,922,968	96,952,722	99,462,807	93,606,395	94,787,610
(\$85,564,573)	(\$76,964,381)	(\$76,431,401)	(\$78,354,020)	(\$78,092,886)	(\$79,168,619)

Northwest Local School District  
 General Revenues and Total Change in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 3

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total Government Net Expense	(\$74,092,148)	(\$78,992,958)	(\$76,365,086)	(\$77,181,203)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes Levied for General Purposes	33,876,124	43,786,003	39,092,855	40,052,554
Property Taxes Levied for Capital Projects Purposes	0	0	0	0
Property Taxes Levied for Debt Service Purposes	1,293,327	1,679,221	1,678,204	1,527,841
Payment in Lieu of Taxes	1,442,401	1,944,008	2,170,537	1,353,248
Investment Earnings	246,045	492,314	957,958	1,281,757
Grants and Entitlements not Restricted to Specific Programs	33,634,399	34,233,076	31,520,219	31,552,624
Gifts and Donations not Restricted for Specific Program	0	0	211,257	201,670
Miscellaneous	367,379	422,959	389,323	802,556
Total Government Activities	<u>70,859,675</u>	<u>82,557,581</u>	<u>76,020,353</u>	<u>76,772,250</u>
Change in Net Position	<u>(\$3,232,473)</u>	<u>\$3,564,623</u>	<u>(\$344,733)</u>	<u>(\$408,953)</u>

Source: School District Records

2008	2009	2010	2011	2012	2013
(\$85,564,573)	(\$76,964,381)	(\$76,431,401)	(\$78,354,020)	(\$78,092,886)	(\$79,168,619)
43,685,645	39,010,796	37,232,185	41,222,092	36,350,086	43,920,672
0	2,760,232	2,798,365	3,248,049	2,517,199	2,544,368
1,475,539	1,666,398	1,567,267	1,953,476	1,623,331	1,725,996
2,541,812	4,170,555	2,983,732	3,217,041	3,769,607	3,464,114
923,168	433,779	202,298	198,962	157,882	(20,926)
33,156,736	35,319,550	33,399,642	34,570,047	34,579,559	32,831,800
206,874	209,561	171,915	152,446	147,731	167,983
264,566	672,870	509,009	238,814	781,681	1,038,253
82,254,340	84,243,741	78,864,413	84,800,927	79,927,076	85,672,260
(\$3,310,233)	\$7,279,360	\$2,433,012	\$6,446,907	\$1,834,190	\$6,503,641

Northwest Local School District  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Schedule 4

	2004	2005	2006	2007
<b>General Fund</b>				
Reserved	\$9,941,691	\$15,297,234	\$14,850,178	\$13,241,226
Unreserved	5,946,886	3,708,325	4,431,337	5,028,757
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
<b>Total General Fund</b>	<u><u>15,888,577</u></u>	<u><u>19,005,559</u></u>	<u><u>19,281,515</u></u>	<u><u>18,269,983</u></u>
<b>All Other Governmental Funds</b>				
Reserved	595,769	927,231	795,705	981,536
Unreserved, Reported in:				
Special Revenue Funds	819,862	748,393	550,025	278,371
Debt Service Funds	1,139,524	1,070,092	1,113,172	1,194,512
Capital Project Funds	2,408,668	2,407,961	2,427,816	2,433,966
Permanent Funds	0	0	0	0
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<b>Total all Other Governmental Funds</b>	<u><u>\$4,963,823</u></u>	<u><u>\$5,153,677</u></u>	<u><u>\$4,886,718</u></u>	<u><u>\$4,888,385</u></u>

Source: School District Records

Note: For fiscal year 2011, the School District implemented GASB 54, which changed governmental fund classifications. Northwest has elected to not restate fund balance amounts for fiscal years prior to implementation.

2008	2009	2010	2011	2012	2013
\$15,315,873	\$14,344,202	\$13,265,955	\$0	\$0	\$0
3,235,516	7,466,773	10,221,736	0	0	0
0	0	0	54,549	41,489	11,000
0	0	0	554,329	812,264	931,943
0	0	0	24,609,553	25,972,050	30,882,889
<u>18,551,389</u>	<u>21,810,975</u>	<u>23,487,691</u>	<u>25,218,431</u>	<u>26,825,803</u>	<u>31,825,832</u>
1,949,064	2,538,473	2,058,837	0	0	0
(1,076,114)	375,257	427,040	0	0	0
1,071,556	1,035,064	1,055,225	0	0	0
100,655	208,299	693,319	0	0	0
0	0	94,707	0	0	0
0	0	0	120,684	127,763	79,000
0	0	0	4,130,877	3,065,950	7,014,383
0	0	0	3,699,071	5,425,741	7,461,026
0	0	0	(141,437)	(538,641)	(491,050)
<u>\$2,045,161</u>	<u>\$4,157,093</u>	<u>\$4,329,128</u>	<u>\$7,809,195</u>	<u>\$8,080,813</u>	<u>\$14,063,359</u>

Northwest Local School District  
 Governmental Funds Revenues  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 5

	2004	2005	2006	2007
Revenues:				
Property Taxes	\$35,169,451	\$45,465,224	\$40,771,058	\$39,571,250
Revenue in Lieu of Taxes	1,335,357	1,803,022	1,905,623	2,159,741
Intergovernmental	40,999,928	42,692,681	42,042,886	42,681,291
Investment Earnings	273,267	492,314	957,958	1,281,757
Tuition and Fees	1,307,283	1,375,608	1,827,893	1,207,360
Extracurricular Activities	463,235	555,091	455,337	500,925
Rent	0	0	0	0
Gifts and Donations	0	0	0	0
Charges for Services	2,104,495	2,420,753	2,052,682	2,856,808
Miscellaneous	2,986,745	611,587	599,580	689,921
Total Revenues	<u>\$84,639,761</u>	<u>\$95,416,280</u>	<u>\$90,613,017</u>	<u>\$90,949,053</u>

Source: School District Records



2008	2009	2010	2011	2012	2013
\$44,923,966	\$43,221,580	\$41,099,173	\$46,496,662	\$40,713,901	\$48,730,582
3,488,839	2,974,827	2,983,732	3,217,041	3,769,607	3,464,114
42,285,156	48,131,399	50,279,723	49,954,418	45,192,632	43,465,307
923,168	433,779	202,298	198,962	157,882	(31,452)
1,107,809	908,960	1,615,133	1,699,249	1,764,717	1,709,059
641,725	670,974	524,755	614,328	645,926	818,202
0	0	0	0	0	671,196
0	0	0	0	0	178,483
2,795,010	3,398,723	3,028,333	2,611,679	1,924,423	1,725,756
467,523	814,488	409,555	333,927	1,509,858	1,038,253
<u>\$96,633,196</u>	<u>\$100,554,730</u>	<u>\$100,142,702</u>	<u>\$105,126,266</u>	<u>\$95,678,946</u>	<u>\$101,769,500</u>

Northwest Local School District  
Governmental Funds Expenditures and Debt Service Ratio  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Schedule 6

	2004	2005	2006	2007
Instruction	\$47,364,387	\$49,644,561	\$48,009,414	\$49,180,578
Pupil	4,330,800	4,370,923	4,753,090	4,796,893
Instructional Staff	5,832,190	5,993,431	5,775,348	5,832,460
Board of Education	91,142	161,901	241,656	281,111
School Administration	5,334,870	5,397,018	5,411,896	5,906,050
Fiscal	1,492,837	1,482,270	1,518,660	1,695,551
Business	571,206	581,747	694,082	512,931
Operation and Maintenance	7,463,816	7,711,002	8,274,328	7,956,222
Pupil Transportation	4,159,436	4,337,422	4,444,862	4,584,733
Central	1,439,811	1,505,082	1,253,835	1,189,253
Operation of Non-instructional Services	5,821,812	6,941,408	6,673,610	6,651,816
Extracurricular Activities	1,651,922	1,758,583	1,815,078	1,733,681
Capital Outlay	374,000	0	0	0
Debt Service				
Principal Retirements	495,000	540,000	590,000	675,000
Interest and Fiscal Charges	1,192,059	1,169,645	1,149,162	994,495
Total Expenditures	<u>\$87,615,288</u>	<u>\$91,594,993</u>	<u>\$90,605,021</u>	<u>\$91,990,774</u>
Debt Service as a Percentage of				
Noncapital Expenditures	1.94%	1.88%	1.93%	1.82%

Source: School District Records

2008	2009	2010	2011	2012	2013
\$55,063,771	\$49,098,127	\$51,443,938	\$51,738,062	\$49,147,165	\$49,540,643
4,658,356	5,123,343	5,755,844	5,981,301	5,734,490	5,445,195
5,701,322	5,880,737	6,199,761	7,437,142	6,676,607	6,131,354
183,505	93,830	178,161	131,907	173,521	106,610
5,806,393	5,942,361	5,549,993	5,997,588	5,694,393	5,797,858
1,581,267	1,785,013	1,581,215	2,084,929	1,965,954	2,061,788
694,398	707,873	596,807	605,131	448,021	430,116
9,138,204	8,487,069	7,806,790	7,725,956	6,753,373	7,260,093
4,741,030	4,438,485	5,402,586	5,113,826	4,753,428	5,278,539
1,682,782	1,503,774	1,977,662	1,774,642	1,593,639	1,602,071
7,120,644	8,142,696	6,718,077	7,405,032	6,456,083	7,425,550
1,783,724	1,836,262	1,858,764	1,964,452	1,902,618	1,907,581
0	147,548	990,767	36,483	554,874	7,621,167
928,396	1,129,533	1,351,679	990,000	1,070,000	1,155,000
969,747	934,502	881,907	829,008	775,790	1,046,827
<u>\$100,053,539</u>	<u>\$95,251,153</u>	<u>\$98,293,951</u>	<u>\$99,815,459</u>	<u>\$93,699,956</u>	<u>\$102,810,392</u>

1.90%	2.19%	2.32%	1.86%	2.01%	2.34%
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Northwest Local School District  
Other Financing Sources and Uses and Net Change in Fund Balances  
Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Schedule 7

	2004	2005	2006	2007
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	\$36,530	\$58,402	\$1,001	\$31,856
Issuance of Capital Leases	0	0	0	0
Payments to Refunded Bonds Escrow Agent	0	0	(15,964,485)	0
Proceeds of Refunding Bonds	0	0	15,380,000	0
Bonds Issued	0	0	0	0
Premium on Bonds and Notes Issued	0	0	584,485	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>36,530</u>	<u>58,402</u>	<u>1,001</u>	<u>31,856</u>
Net Change in Fund Balances	<u>(\$2,938,997)</u>	<u>\$3,879,689</u>	<u>\$8,997</u>	<u>\$31,856</u>

Source: School District Records

2008	2009	2010	2011	2012	2013
\$3,917	\$67,941	\$250	\$0	\$0	\$2,850
854,608	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	11,890,000
0	0	0	0	0	130,617
2,628	0	61,649	65,000	0	60,000
(2,628)	0	(61,649)	(165,000)	(100,000)	(60,000)
858,525	67,941	250	(100,000)	(100,000)	12,023,467
(\$2,561,818)	\$5,371,518	\$1,849,001	\$5,210,807	\$1,878,990	\$10,982,575

Northwest Local School District  
Assessed Value and Actual Value of Taxable Property  
Last Ten Calendar Years  
Schedule 8

Calendar Year	Real Property	Estimated	Tangible	Estimated	Public
	Assessed Value	Actual Value	Personal Property Assessed Value	Actual Value	Utilities Personal Assessed Value
2004	\$1,373,527,170	\$3,924,363,343	\$78,381,540	\$97,976,925	\$40,023,250
2005	1,606,199,670	4,589,141,914	63,984,560	79,980,700	37,866,350
2006	1,611,429,080	4,604,083,086	45,456,080	56,820,100	36,164,160
2007	1,635,959,680	4,674,170,514	24,896,760	31,120,950	32,546,400
2008	1,632,851,870	4,665,291,057	2,585,353	3,231,691	32,779,000
2009	1,620,943,080	4,631,265,943	2,675,180	3,343,975	35,300,900
2010	1,616,185,810	4,617,673,743	1,260,480	1,575,600	35,469,760
2011	1,444,372,160	4,126,777,600	0	0	35,573,060
2012	1,444,372,160	4,126,777,600	0	0	35,573,060
2013	1,182,021,460	3,377,204,171	0	0	40,743,160

Source: Hamilton County Auditor

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been phased out. The assessment percent was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax is 2010. The percentages for telecommunications are 10.0 percent for 2009, 5.0 percent for 2010 and zero for 2011.

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

<u>Estimated Actual Value</u>	<u>Total Assessed Value</u>	<u>Total Estimated Actual Value</u>	<u>Ratio</u>	<u>Weighted Average Tax Rate</u>
\$160,093,000	\$1,491,931,960	\$4,182,433,268	35.67%	\$11.39
151,465,400	1,708,050,580	4,820,588,014	35.43%	11.30
192,875,520	1,693,049,320	4,853,778,706	34.88%	10.24
260,371,200	1,693,402,840	4,965,662,664	34.10%	9.80
524,464,000	1,668,216,223	5,192,986,748	32.12%	10.29
353,009,000	1,658,919,160	4,987,618,918	33.26%	10.69
709,395,200	1,652,916,050	5,328,644,543	31.02%	10.10
711,461,200	1,479,945,220	4,838,238,800	30.59%	10.19
711,461,200	1,479,945,220	4,838,238,800	30.59%	11.13
814,863,200	1,222,764,620	4,192,067,371	29.17%	12.49

Northwest Local School District  
Property Tax Rates (Per \$1,000 of Assessed Valuation)  
Direct and Overlapping Governments  
Last Ten Collection (Calendar) Years  
Schedule 9

	2004	2005	2006
<b>UNVOTED MILLAGE:</b>			
Operating	\$6.33	\$6.33	\$6.33
Permanent Improvement	0.00	0.00	0.00
<b>VOTED MILLAGE - BY LEVY:</b>			
1976 Current Expense			
Residential/Agricultural Real	6.14	6.12	5.23
Commercial/Industrial and Public Utility Real	8.08	8.20	7.35
General Business and Public Utility Personal	19.84	19.84	19.84
1986 Current Expense			
Residential/Agricultural Real	5.01	5.00	4.27
Commercial/Industrial and Public Utility Real	5.46	5.54	4.96
General Business and Public Utility Personal	9.86	9.86	9.86
1989 Current Expense			
Residential/Agricultural Real	3.91	3.90	3.33
Commercial/Industrial and Public Utility Real	4.65	4.73	4.23
General Business and Public Utility Personal	6.95	6.95	6.95
1997 Current Expense			
Residential/Agricultural Real	4.35	4.34	3.71
Commercial/Industrial and Public Utility Real	4.79	4.87	4.36
General Business and Public Utility Personal	5.56	5.56	5.56
1997 Bond (\$25,000,000)			
Residential/Agricultural Real	1.10	1.10	1.10
Commercial/Industrial and Public Utility Real	1.10	1.10	1.10
General Business and Public Utility Personal	1.10	1.10	1.10
2007 Emergency (\$6,411,000)			
Residential/Agricultural Real	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00
2010 Emergency (\$6,411,000)			
Residential/Agricultural Real	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00
2012 Emergency (\$7,344,295)			
Residential/Agricultural Real	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00
<b>TOTAL VOTED MILLAGE BY TYPE OF PROPERTY</b>			
Residential/Agricultural Real	20.51	20.46	17.64
Commercial/Industrial and Public Utility Real	24.08	24.44	22.00
General Business and Public Utility Personal	43.31	43.31	43.31
<b>TOTAL SCHOOL DISTRICT MILLAGE</b>			
	<b>49.64</b>	<b>49.64</b>	<b>49.64</b>
<b>WEIGHTED AVERAGE</b>			
	<b>11.39</b>	<b>11.30</b>	<b>10.24</b>



2007	2008	2009	2010	2011	2012	2013
\$6.33	\$6.33	\$4.33	\$4.33	\$4.33	\$4.33	\$4.33
0.00	0.00	2.00	2.00	2.00	2.00	2.00
5.23	5.22	5.31	5.32	5.33	6.00	6.03
7.28	7.17	7.13	7.28	7.53	8.41	8.74
19.84	19.84	19.84	19.84	19.84	19.84	19.84
4.27	4.26	4.34	4.35	4.36	4.90	4.92
4.92	4.84	4.82	4.92	5.09	5.68	5.91
9.86	9.86	9.86	9.86	9.86	9.86	9.86
3.33	3.33	3.39	3.39	3.40	3.83	3.85
4.19	4.13	4.11	4.20	4.34	4.85	5.04
6.95	6.95	6.95	6.95	6.95	6.95	6.95
3.71	3.70	3.77	3.77	3.78	4.26	4.28
4.32	4.25	4.23	4.32	4.46	4.99	5.19
5.56	5.56	5.56	5.56	5.56	5.56	5.56
0.96	0.96	1.12	1.12	1.12	1.30	1.36
0.96	0.96	1.12	1.12	1.12	1.30	1.36
0.96	0.96	1.12	1.12	1.12	1.30	1.36
0.00	3.89	3.90	3.91	3.94	0.00	0.00
0.00	3.89	3.90	3.91	3.94	0.00	0.00
0.00	3.89	3.90	3.91	3.94	0.00	0.00
0.00	0.00	0.00	0.00	0.00	4.38	4.52
0.00	0.00	0.00	0.00	0.00	4.38	4.52
0.00	0.00	0.00	0.00	0.00	4.38	4.52
0.00	0.00	0.00	0.00	0.00	0.00	5.15
0.00	0.00	0.00	0.00	0.00	0.00	5.15
0.00	0.00	0.00	0.00	0.00	0.00	5.15
17.50	21.36	21.83	21.86	21.93	24.67	30.11
21.67	25.24	25.31	25.75	26.48	29.61	35.91
43.17	47.06	47.23	47.24	47.27	47.89	53.24
<b>49.50</b>	<b>53.39</b>	<b>53.56</b>	<b>53.57</b>	<b>53.60</b>	<b>54.22</b>	<b>59.57</b>
<b>9.80</b>	<b>10.29</b>	<b>10.69</b>	<b>10.10</b>	<b>10.19</b>	<b>11.13</b>	<b>12.49</b>

(continued)

Northwest Local School District  
Property Tax Rates (Per \$1,000 of Assessed Valuation)  
Direct and Overlapping Governments  
Last Ten Collection (Calendar) Years  
Schedule 9 (continued)

<b>OVERLAPPING RATES BY TAXING DISTRICT</b>	2004	2005	2006
<b>Townships:</b>			
Residential/Agricultural Real	5.35 - 18.42	5.35 - 18.36	6.07 - 16.09
Commercial/Industrial and Public Utility Real	6.22 - 19.45	6.21 - 19.60	7.59 - 18.88
General Business and Public Utility Personal	8.31 - 20.30	8.31 - 20.30	9.81 - 20.30
<b>Corporations:</b>			
Residential/Agricultural Real	5.13 - 9.50	5.24 - 9.50	4.66 - 8.43
Commercial/Industrial and Public Utility Real	5.53 - 9.50	5.58 - 9.81	5.37 - 9.29
General Business and Public Utility Personal	5.94 - 11.08	5.94 - 11.08	5.94 - 11.08
<b>Butler County Joint Vocational District:</b>			
Residential/Agricultural Real	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00
<b>COUNTY AND OTHER UNITS:</b>			
<b>Butler County:</b>			
Residential/Agricultural Real	7.34	7.94	8.40
Commercial/Industrial and Public Utility Real	7.88	8.38	9.02
General Business and Public Utility Personal	8.74	8.74	9.44
<b>Hamilton County:</b>			
Residential/Agricultural Real	12.77	14.03	12.00
Commercial/Industrial and Public Utility Real	15.54	16.12	15.16
General Business and Public Utility Personal	20.48	20.03	19.78
<b>Hamilton County Park District</b>			
Residential/Agricultural Real	0.93	0.93	0.78
Commercial/Industrial and Public Utility Real	0.99	0.99	0.94
General Business and Public Utility Personal	1.03	1.03	1.03
<b>Cincinnati-Hamilton City Public Library</b>			
Residential/Agricultural Real	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00

**Source:** Ohio Department of Taxation

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

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

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

As real property values increase from inflation, voted levies that were approved at a specific rate (current operating levies and permanent improvement levies) are reduced so that the same property does not generate additional revenue. State law prohibits the reduction factors from reducing the effective millage of the sum of the current operating levies plus inside millage used for operating purposes below 20 mills.

2007	2008	2009	2010	2011	2012	2013
6.08 - 16.10	6.08 - 16.11	8.02 - 16.29	8.03 - 18.83	8.05 - 18.94	8.67 - 21.15	8.68 - 22.27
7.46 - 18.97	7.43 - 19.15	9.24 - 18.45	9.23 - 21.05	9.34 - 21.66	9.77 - 22.72	9.80 - 23.74
9.81 - 20.30	9.81 - 20.30	11.71 - 20.30	11.71 - 22.80	11.71 - 22.8	11.71 - 22.80	11.71 - 23.80
4.66 - 8.43	4.66 - 8.43	4.88 - 12.76	4.86 - 11.08	4.88 - 11.08	5.23 - 11.08	5.24 - 11.08
5.43 - 9.19	5.42 - 9.22	4.99 - 12.76	5.23 - 11.08	5.28 - 11.08	5.63 - 11.08	5.73 - 11.08
5.94 - 11.08	5.94 - 11.08	5.94 - 12.76	5.94 - 11.08	5.94 - 11.08	5.94 - 6.68	5.94 - 11.08
0.00	0.00	1.93	1.93	1.93	1.93	1.93
0.00	0.00	1.93	1.93	1.93	1.93	1.93
0.00	0.00	1.93	1.93	1.93	1.93	1.93
9.85	9.33	8.55	8.89	8.95	9.08	9.09
10.62	10.08	8.65	8.97	9.21	9.54	9.55
10.95	10.45	9.75	9.75	9.72	9.72	9.72
11.97	12.34	12.33	12.36	12.42	13.35	13.41
15.03	15.38	14.92	15.07	15.57	16.10	16.28
19.15	19.53	19.60	19.45	19.45	19.03	19.03
0.78	0.78	0.78	0.78	0.79	0.87	0.88
0.94	0.94	0.90	1.91	0.96	1.02	1.03
1.03	1.03	1.03	1.03	1.03	1.03	1.03
0.00	0.00	0.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	1.00	1.00	1.00	1.00

Northwest Local School District  
Property Tax Levies and Collections  
Last Ten Calendar Years  
Schedule 10

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$46,580,056	\$42,225,846	90.65%	\$1,586,109	\$43,811,955	94.06%
2005	46,683,849	42,637,282	91.33%	1,496,380	44,133,662	94.54%
2006	47,821,130	42,673,894	89.24%	1,777,244	44,451,138	92.95%
2007	46,763,460	43,657,969	93.36%	1,326,968	44,984,937	96.20%
2008	50,800,639	48,207,637	94.90%	1,590,158	49,797,795	98.03%
2009	50,772,759	46,882,929	92.34%	1,423,427	48,306,356	95.14%
2010	51,248,384	46,784,226	91.29%	1,495,281	48,279,507	94.21%
2011	52,001,081	47,330,833	91.02%	1,772,516	49,103,349	94.43%
2012	50,973,174	46,194,644	90.63%	2,093,891	48,288,535	94.73%
2013	58,895,102	55,041,653	93.46%	1,711,628	56,753,281	96.36%

Source: Hamilton County Auditor

Northwest Local School District  
Principal Property Tax Payers  
2012 and 2007  
Schedule 11

2012 (1)		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Value
Duke Energy Ohio Inc.	\$37,059,050	2.51%
T Northgate Partners	7,525,010	0.51%
KIR Colerain LLC	10,619,960	0.72%
Rumpke Sanitary Landfill INC	6,819,610	0.46%
8403 Colerain Ave LLC	5,480,250	0.37%
Prospect Square LLC	4,234,410	0.29%
Proctor & Gamble Co.	3,987,360	0.27%
Lees Crossing LLC	3,776,840	0.26%
Ashley Woods Limited Partnership	3,661,900	0.25%
Northwest Woods LLC	3,563,690	0.24%
<b>Total Principal Taxpayers</b>	<b>86,728,080</b>	<b>5.58%</b>
All Other Taxpayers	1,393,217,140	94.42%
<b>Total All Taxpayers</b>	<b>\$1,479,945,220</b>	<b>100.00%</b>

2007 (1)		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Value
Northgate Partners LLC	\$35,335,660	2.09%
KIR Colerain LLC	9,634,760	0.57%
Rumpke Sanitary Landfill Inc.	6,909,270	0.41%
Cincinnati Mills	6,075,130	0.36%
Procter & Gamble Co	5,873,360	0.35%
Wells Fargo Bank NA	5,558,370	0.33%
Wal-Mart Real Estate	5,409,260	0.32%
Stone Creek Development	4,148,400	0.24%
Northwest Woods LLC	4,020,180	0.24%
Lee Crossing LLC	3,986,400	0.24%
<b>Total Principal Taxpayers</b>	<b>86,950,790</b>	<b>5.13%</b>
All Other Taxpayers	1,606,452,050	94.87%
<b>Total All Taxpayers</b>	<b>\$1,693,402,840</b>	<b>100.00%</b>

Source: Hamilton County Auditor

(1) - Denotes calendar year. Years prior to 2007 are not accessible.

Northwest Local School District  
 Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Schedule 12

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of General Bonded Debt to Estimated Actual Value	Percentage of Personal Income	Per Capita
	General Obligation Bonds	QZAB and Tax-Exempt Bonds	Certificates of Participation				
2004	\$22,845,000	\$0	\$0	\$22,845,000	0.55%	0.07%	\$260
2005	22,305,000	0	0	22,305,000	0.46	0.07%	253
2006	21,715,000	0	0	21,715,000	0.45	0.06%	245
2007	21,040,000	0	0	21,040,000	0.42	0.06%	236
2008	20,250,000	0	0	20,250,000	0.39	0.05%	226
2009	19,405,000	0	0	19,405,000	0.39	0.05%	215
2010	18,485,000	0	0	18,485,000	0.35	0.05%	204
2011	17,495,000	0	0	17,495,000	0.36	0.05%	230
2012	17,155,629	0	0	17,155,629	0.34	0.04%	323
2013	16,040,263	1,423,586	6,594,770	24,058,619	0.67	N/A	N/A

Source: School District Records

N/A - Information not available

Northwest Local School District  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2013  
Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Direct:			
Bonds Payable	\$28,054,619	100.00%	\$28,054,619
Overlapping Debt:			
Butler County	\$55,455,120	0.03%	\$16,637
Hamilton County	75,970,000	8.12%	6,168,764
City of Fairfield	26,065,000	0.00%	0
City of Forest Park	5,315,000	10.98%	583,587
City of North College Hill	865,000	1.44%	12,456
Colerain Township	8,225,000	93.40%	7,682,150
Fairfield Township	4,580,000	0.53%	24,274
Butler Technology & Career Center JT. Voc. School District	3,000,000	18.17%	545,100
Springfield Township	10,670,000	12.46%	1,329,482
Total Overlapping Debt	<u>190,145,120</u>		<u>16,362,450</u>
Total Direct and Overlapping Debt	<u><u>\$218,199,739</u></u>		<u><u>\$44,417,069</u></u>

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

Northwest Local School District  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Schedule 14

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	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$133,468,850	\$134,599,834	\$153,256,696	\$154,705,985
Total Net Debt Applicable to Limit	<u>21,341,576</u>	<u>20,659,908</u>	<u>19,946,828</u>	<u>21,040,000</u>
Legal Debt Margin	<u>\$112,127,274</u>	<u>\$113,939,926</u>	<u>\$133,309,868</u>	<u>\$133,665,985</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.99%	15.35%	13.02%	13.60%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2013 is calendar year 2012)



Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value (1)	\$1,222,764,620
Debt Limit (9% of Assessed Value)	110,048,816
Debt Applicable to Limit	27,160,000
Less Amount Available in Debt Service	<u>(1,846,909)</u>
Legal Debt Margin	<u><u>\$84,735,725</u></u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$152,211,071	\$150,139,460	\$149,302,724	\$148,552,126	\$133,334,715	\$110,048,816
<u>20,250,000</u>	<u>19,405,000</u>	<u>18,485,000</u>	<u>16,425,000</u>	<u>20,660,000</u>	<u>25,313,091</u>
<u><u>\$131,961,071</u></u>	<u><u>\$130,734,460</u></u>	<u><u>\$130,817,724</u></u>	<u><u>\$132,127,126</u></u>	<u><u>\$112,674,715</u></u>	<u><u>\$84,735,725</u></u>
13.30%	12.92%	12.38%	11.06%	15.49%	23.00%

Northwest Local School District  
Demographic and Economic Statistics  
Last Ten Calendar Years  
Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2004	85,875	\$31,972,899	\$38,417	5.7%
2005	85,875	33,087,346	39,937	5.7%
2006	85,875	35,146,091	41,477	5.0%
2007	85,875	36,488,577	42,730	5.0%
2008	85,875	37,484,285	43,918	5.6%
2009	85,875	36,248,694	44,320	8.9%
2010	74,442	36,770,921	45,852	9.4%
2011	74,442	37,522,065	46,881	8.6%
2012	74,442	39,631,501	49,413	6.8%
2013	74,442	N/A	N/A	7.3%

Sources:

- (1) Population estimates provided by U.S. Census Bureau
- (2) Bureau of Economic Analysis Data. Information for Hamilton County
- (3) Bureau of Economic Analysis Data. Information for Hamilton County
- (4) Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

N/A - Information not available

Northwest Local School District  
Major Employers (1)  
2012 and 2003  
Schedule 16

2012

Major Employers	Type	Number of Employees (1)	Employer's Percentage of Total Employment
Kroger Company	Trade	19,900	18.4%
University of Cincinnati	Education	15,374	14.2%
Procter & Gamble Co	Mfg	12,500	11.6%
Cincinnati Children's Hospital	Medical	12,332	11.4%
TriHealth Inc.	Serv	10,197	9.4%
Mercy Health Partners	Medical	8,817	8.2%
Archdiocese of Cincinnati	Religion	7,500	6.9%
GE Aviation	Mfg	7,400	6.9%
Fifth Third Bancorp	Fin	7,063	6.5%
Wal-Mart Stores	Trade	6,922	6.4%
	Total	<u>108,005</u>	

2003

Major Employers	Type	Number of Employees (2)	Employer's Percentage of Total Population
University of Cincinnati	Education	15,400	18.2%
Health Alliance of Greater Cincinnati	Healthcare	13,139	15.5%
Procter & Gamble Co	Mfg	13,000	15.3%
Kroger Company	Retail	13,000	15.3%
Toyota Motor	Mfg	8,360	9.9%
Fifth Third Bank	Fiancial	7,800	9.2%
TriHealth Inc.	Healthcare	7,055	8.3%
Cincinnati Children's Hospital	Medical	7,029	8.3%
	Total	<u>84,783</u>	

Sources: (1) - Cincinnati Chamber of Commerce

(2) - Greater Cincinnati Chamber of Commerce/Business Courier Book of Lists April 4, 2003

Northwest Local School District  
 Full-Time Equivalent School District Employees by Type  
 Last Nine Fiscal Years (1)  
 Schedule 17

	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administrative</b>									
Central Office	14.0	13.0	12.0	15.0	17.0	17.0	19.0	18.0	16.0
Certified Licensed	27.0	27.0	27.0	26.0	25.0	25.0	25.0	25.0	25.0
Classified	15.0	14.0	12.0	11.0	10.0	12.0	12.0	12.0	11.0
<b>Total Administrative</b>	<b>56.0</b>	<b>54.0</b>	<b>51.0</b>	<b>52.0</b>	<b>52.0</b>	<b>54.0</b>	<b>56.0</b>	<b>55.0</b>	<b>52.0</b>
<b>Instructional Staff</b>									
Teachers	662.0	651.0	632.0	624.0	577.0	575.0	558.0	520.0	502.0
Instructional Specialists	12.0	10.0	9.0	8.0	8.0	8.0	12.0	12.0	14.0
Librarians	6.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Instructional Coordinator	4.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Counselors	19.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	16.0
Psychologist	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Instructional Staff</b>	<b>704.0</b>	<b>684.0</b>	<b>664.0</b>	<b>654.0</b>	<b>607.0</b>	<b>605.0</b>	<b>591.0</b>	<b>553.0</b>	<b>536.0</b>
<b>Support Staff</b>									
Educational Assistants	147.5	139.5	151.5	150.5	150.0	157.7	183.5	178.5	159.0
Nurses	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health Technician	18.0	18.0	18.0	18.0	17.0	17.0	17.0	16.0	16.0
Library Assistants	14.0	14.0	14.0	14.0	13.0	13.0	13.0	9.0	9.0
Transportation/Delivery	92.0	90.0	91.0	75.0	75.0	79.0	78.5	78.5	71.5
Food Service	106.0	104.0	104.0	104.0	100.0	98.3	97.5	97.5	89.0
Secretarial/Clerical	68.0	65.0	62.0	64.0	65.0	65.0	63.0	60.0	58.0
Data Processing	5.0	5.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0
Maintenance	9.0	8.0	8.0	10.0	10.0	9.0	11.0	10.0	10.0
Custodial	64.0	62.0	67.0	63.0	62.0	62.5	62.5	57.0	50.0
<b>Total Support Staff</b>	<b>524.5</b>	<b>506.5</b>	<b>522.5</b>	<b>505.5</b>	<b>499.0</b>	<b>507.5</b>	<b>532.0</b>	<b>512.5</b>	<b>468.5</b>
<b>Total School District Staff</b>	<b>1,284.5</b>	<b>1,244.5</b>	<b>1,237.5</b>	<b>1,211.5</b>	<b>1,158.0</b>	<b>1,166.5</b>	<b>1,179.0</b>	<b>1,120.5</b>	<b>1,056.5</b>

Source: School District records

(1) - Only information for last nine fiscal years available from School District records

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Northwest Local School District  
 Operating Statistics  
 Last Ten Fiscal Years  
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil (2)	Percentage Change	Expenses (3)
2004	10,647	\$85,554,229	\$8,036	7.65%	\$87,956,305
2005	10,561	89,885,348	8,511	-0.33	91,987,055
2006	10,332	88,865,859	8,601	3.89	91,244,899
2007	10,370	90,321,279	8,710	8.28	92,457,640
2008	9,823	98,155,396	9,992	0.07	100,390,039
2009	9,616	93,039,570	9,675	4.38	93,922,968
2010	9,678	95,069,598	9,823	2.38	96,952,722
2011	9,515	97,959,968	10,295	-5.20	99,462,807
2012	9,263	91,299,292	9,856	2.64	93,606,395
2013	9,252	92,987,398	10,051	2.05	94,787,610

Source: School District records

(1) - Operating Expenditure is Total Expenditures minus Capital Outlay and Debt Service from Schedule 6

(2) - Operating Expenditure by Enrollment

(3) - Expenses is Total Expenses from Schedule 2

(4) - Expenses by Enrollment

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Cost Per Pupil (4)	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
\$8,261	7.99%	673	15.82	24.09%
8,710	5.43	662	15.95	27.86
8,831	1.39	651	15.87	29.36
8,916	0.96	632	16.41	30.95
10,220	14.63	624	15.74	30.53
9,767	-4.43	577	16.67	38.28
10,018	2.56	575	16.83	40.71
10,453	4.49	558	17.05	46.42
10,105	-3.41	520	17.81	48.76
10,245	1.33	502	18.43	49.37

Northwest Local School District  
School Building Information  
Last Ten Fiscal Years  
Schedule 19

School	2004	2005	2006	2007
Elementary				
Colerain Elementary - 1923				
Square feet	84,934	84,934	84,934	84,934
Capacity (1)	850	850	850	850
Enrollment	689	695	667	668
Bevis Elementary - 1970				
Square feet	48,640	48,640	48,640	48,640
Capacity (1)	600	600	600	600
Enrollment	496	486	489	490
Houston Elementary - 1966				
Square feet	62,826	62,826	62,826	62,826
Capacity (1)	600	600	600	600
Enrollment	479	475	422	422
Monfort Heights Elementary - 2000				
Square feet	76,787	76,787	76,787	76,787
Capacity (1)	700	700	700	700
Enrollment	791	728	717	718
Pleasant Run Elementary - 1961				
Square feet	54,751	54,751	54,751	54,751
Capacity (1)	575	575	575	575
Enrollment	522	509	500	500
Struble Elementary - 1959				
Square feet	45,000	45,000	45,000	45,000
Capacity (1)	376	376	376	376
Enrollment	377	376	404	405
Taylor Elementary - 1960				
Square feet	56,262	56,262	56,262	56,262
Capacity (1)	525	525	525	525
Enrollment	527	500	470	493
Weigel Elementary - 1965				
Square feet	55,057	55,057	55,057	55,057
Capacity (1)	500	500	500	500
Enrollment	480	505	498	502
Welch Elementary - 1977				
Square feet	46,800	46,800	46,800	46,800
Capacity (1)	425	425	425	425
Enrollment	357	349	372	372

Source: District records

(1) Capacity considers many variables just as class size, federally required programs, and district



2008	2009	2010	2011	2012	2013
84,934	84,934	84,934	84,934	84,934	84,934
850	850	850	850	850	850
645	852	856	849	848	861
48,640	48,640	48,640	48,640	48,640	48,640
600	600	600	600	600	600
445	429	440	442	454	434
62,826	62,826	62,826	62,826	62,826	62,826
600	0	0	0	0	0
408	0	0	0	0	0
76,787	76,787	76,787	76,787	76,787	76,787
700	700	700	700	700	700
685	645	665	655	644	669
54,751	54,751	54,751	54,751	54,751	54,751
575	575	575	575	575	575
481	394	418	389	367	356
45,000	45,000	45,000	45,000	45,000	45,000
376	376	376	376	376	376
400	408	409	417	361	430
56,262	56,262	56,262	56,262	56,262	56,262
525	525	525	525	525	525
348	488	521	494	431	463
55,057	55,057	55,057	55,057	55,057	55,057
500	500	500	500	500	500
467	470	488	490	476	454
46,800	46,800	46,800	46,800	46,800	46,800
425	425	425	425	425	425
325	387	367	404	395	398

(continued)

-level programs thus may change accordingly

Northwest Local School District  
 School Building Information  
 Last Ten Fiscal Years  
 Schedule 19 (continued)

School	2004	2005	2006	2007
<b>Junior High School</b>				
<b>Colerain Middle - 1932</b>				
Square feet	77,591	77,591	77,591	77,591
Capacity (1)	675	675	675	675
Enrollment	718	730	719	720
<b>Pleasant Run Middle - 1969</b>				
Square feet	108,230	108,230	108,230	108,230
Capacity (1)	1,100	1,100	1,100	1,100
Enrollment	993	923	880	879
<b>White Oak Middle - 1961</b>				
Square feet	81,950	81,950	81,950	81,950
Capacity (1)	735	735	735	735
Enrollment	807	782	766	773
<b>High School</b>				
<b>Colerain High - 1964</b>				
Square feet	193,768	193,768	193,768	193,768
Capacity (1)	2,100	2,100	2,100	2,100
Enrollment	2,176	2,277	2,215	2,215
<b>Northwest High - 1972</b>				
Square feet	163,345	163,345	163,345	163,345
Capacity (1)	1,250	1,250	1,250	1,250
Enrollment	1,235	1,226	1,213	1,213

Source: District records

(1) Capacity considers many variables just as class size, federally required programs, and district.

2008	2009	2010	2011	2012	2013
77,591	77,591	77,591	77,591	77,591	77,591
675	675	675	675	675	675
688	670	669	641	619	593
108,230	108,230	108,230	108,230	108,230	108,230
1,100	1,100	1,100	1,100	1,100	1,100
857	867	816	794	792	787
81,950	81,950	81,950	81,950	81,950	81,950
735	735	735	735	735	735
754	751	721	752	764	792
193,768	193,768	193,768	193,768	193,768	193,768
2,100	2,100	2,100	2,100	2,100	2,100
2,166	2,151	2,165	2,150	2,073	1,997
163,345	163,345	163,345	163,345	163,345	163,345
1,250	1,250	1,250	1,250	1,250	1,250
1,154	1,104	1,102	1,038	1,039	1,018

-level programs thus may change accordingly

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# Dave Yost • Auditor of State

**NORTHWEST LOCAL SCHOOL DISTRICT**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 18, 2014**