



**Auditor of State  
Betty Montgomery**



**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	Under Separate Cover
Comprehensive Annual Financial Report .....	Under Separate Cover
Schedule of Federal Awards Expenditures.....	1
Notes to Schedule of Federal Awards Expenditures .....	2
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	3
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i> .....	5
Schedule of Findings.....	7

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**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$164,323	\$0	\$164,323
National School Breakfast Program	05-PU	10.553	61,962		61,962	
National School Lunch Program	LL-P4	10.555	681,337		681,337	
Child/Adult Food Program	21-FP	10.558	2,501		2,501	
<b>Total U.S. Department of Agriculture - Nutrition Cluster</b>			<b>745,800</b>	<b>164,323</b>	<b>745,800</b>	<b>164,323</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF	84.027	1,089,207		1,060,756	
Special Education - Preschool Grant	PG-S1	84.173	34,512		34,512	
<b>Total Special Education Cluster</b>			<b>1,123,719</b>	<b>0</b>	<b>1,095,268</b>	<b>0</b>
Grants to Local Educational Agencies (ESEA Title I)	C1-S1	84.010	797,511		874,779	
Vocational Education Basic Grants to State	20-C1	84.048	179,834		165,752	
Drug-Free Schools Grant	DR-S1	84.186	51,461		51,913	
Goals 2000 - State and Local Education Systematic Improvement	G2-S6	84.273	0		0	
Eisenhower Prof. Dev. State Grant	MS-S1	84.281	0		6,002	
Innovative Education Program Grant	C2-S1	84.298	112,841		123,016	
Technology Literacy Challenge	TJS1	84.318	24,163		23,911	
Assistive Technology Grant	ATS4	84.352A	48,860		43,589	
Title III	T3S1	84.365	12,023		4,296	
Title II	TRS1	84.367	244,715		208,360	
OCIS Awareness	N/A	N/A	1,700		308	
Reading Excellence	RN-S1	84.338	7,985		41,205	
<b>Total U.S. Department of Education</b>			<b>1,481,093</b>	<b>0</b>	<b>1,543,131</b>	<b>0</b>
<b>Total Federal Assistance</b>			<b>\$3,350,611</b>	<b>\$164,323</b>	<b>\$3,384,199</b>	<b>\$164,323</b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
JUNE 30, 2003**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the District had no significant food commodities in inventory.

**NOTE C – MATCHING REQUIREMENTS**

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Northwest Local School District  
Hamilton County  
3240 Banning Road  
Cincinnati, Ohio 45239

To the Board of Education:

We have audited the basic financial statements of the Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2003, and have issued our report thereon dated December 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated December 12, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the District in a separate letter dated December 12, 2003.

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

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

**Betty Montgomery**  
Auditor of State

December 12, 2003





**Auditor of State  
Betty Montgomery**

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

Northwest Local School District  
Hamilton County  
3240 Banning Road  
Cincinnati, Ohio 45239

To the Board of Education:

**Compliance**

We have audited the compliance of the Northwest Local School District, Hamilton County, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2003.

**Internal Control Over Compliance**

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

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

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

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

**Betty Montgomery**  
Auditor of State

December 12, 2003

**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2003**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster, CFDA# (10.550, 10.553, 10.555, & 10.558) Vocational Education Grants, CFDA# (84.048)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



2003

Comprehensive

Annual

Financial

Report



NORTHWEST

For the year ended  
June 30, 2003

Northwest Local School District  
Cincinnati, Ohio



***NORTHWEST LOCAL SCHOOL DISTRICT***

***CINCINNATI, OHIO***

***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2003***

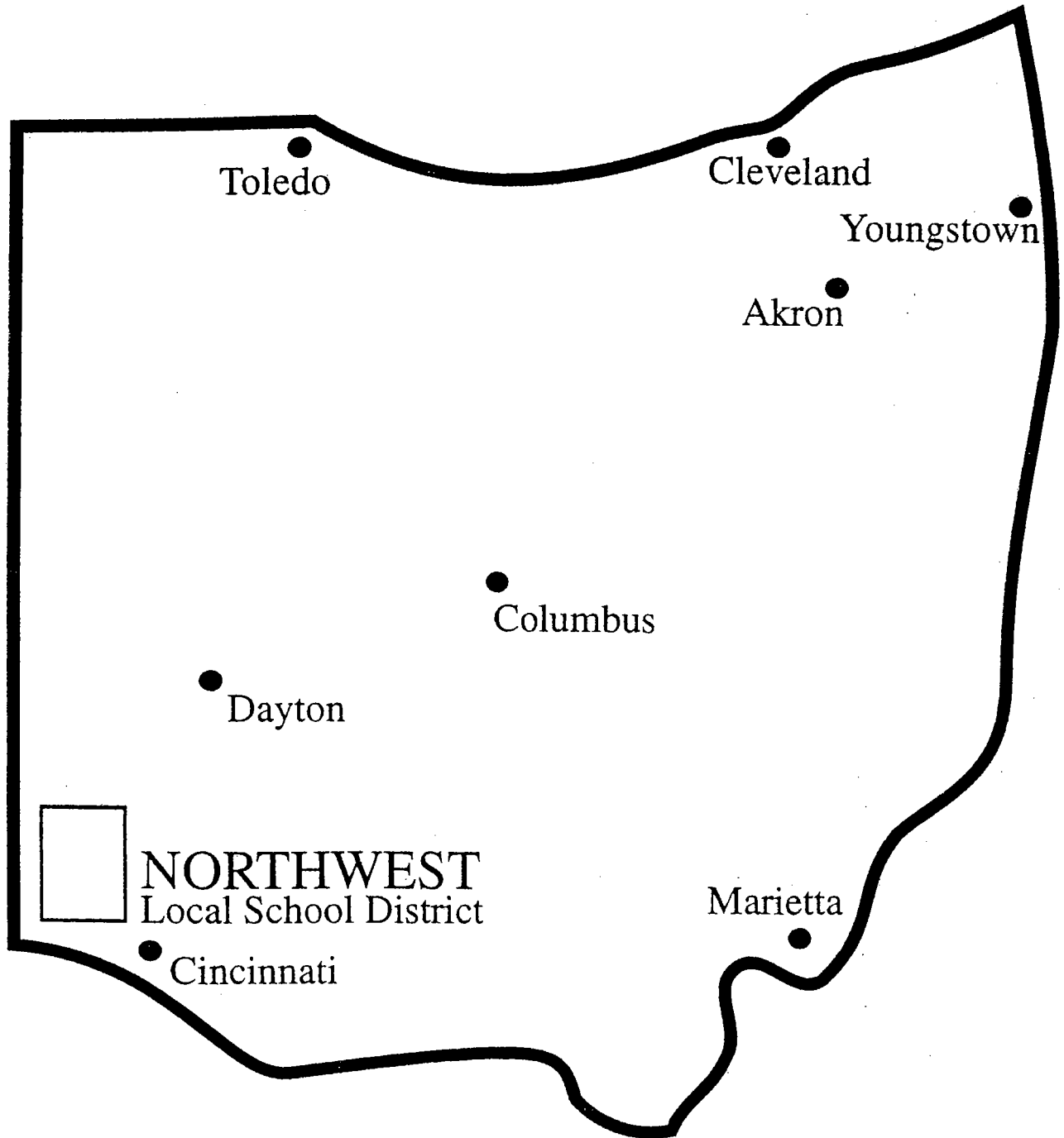
*Prepared by:*  
*Office of the Treasurer*

*Randy L. Seymour*  
*Treasurer*





# OHIO



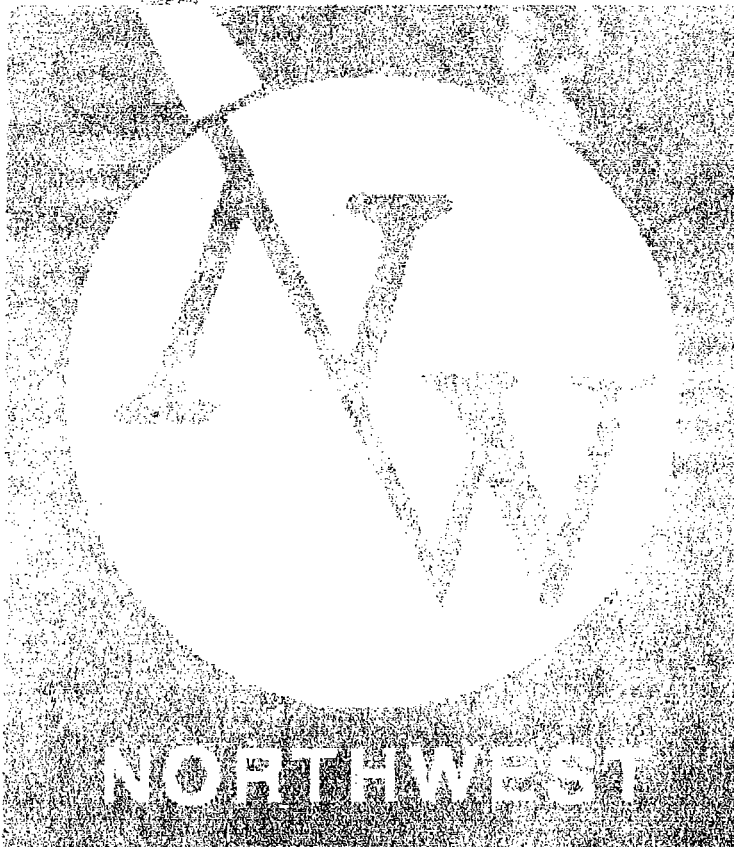
**NORTHWEST**  
Local School District

Cincinnati

Marietta



# **Introductory Section**



**Northwest Local  
School District**



**NORTHWEST LOCAL SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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TABLE OF CONTENTS

Title Page  
State of Ohio Map

**I. INTRODUCTORY SECTION**

Table of Contents .....	i
Letter of Transmittal.....	v
GFOA Certificate of Achievement.....	xvi
ASBO Certificate of Excellence .....	xvii
List of Principal Officials.....	xviii
Organizational Chart .....	xix
School District Map .....	xx
Consultants and Advisors.....	xxi

**II. FINANCIAL SECTION**

Report of Independent Accountants.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	16
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities .....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	18

**NORTHWEST LOCAL SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

---

TABLE OF CONTENTS  
 (continued)

	<u>PAGE</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	20
Statement of Net Assets – Proprietary Funds .....	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	22
Statement of Cash Flows – Proprietary Funds.....	23
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds ...	24
Notes to the Basic Financial Statements .....	25
<b>COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES</b>	
Combining Statements – Nonmajor Funds:	
Fund Descriptions .....	52
Combining Balance Sheet – Nonmajor Governmental Funds .....	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	58
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	66
Combining Balance Sheet – Nonmajor Debt Service Fund .....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Debt Service Fund.....	73

**NORTHWEST LOCAL SCHOOL DISTRICT, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

---

TABLE OF CONTENTS  
(continued)

	<u>PAGE</u>
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	75
Statement of Changes in Assets and Liabilities –Agency Fund .....	76
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund .....	78
Underground Storage Tank Special Revenue Fund .....	82
Athletic Special Revenue Fund .....	83
Auxiliary Services Special Revenue Fund .....	84
Consumer Economics Special Revenue Fund.....	85
Career Development Special Revenue Fund.....	86
Excellence in Education Special Revenue Fund .....	87
Education Management Information System Special Revenue Fund ....	88
Public Preschool Special Revenue Fund.....	89
Disadvantaged Pupil Impact Aid Special Revenue Fund.....	90
Ohio SchoolNet Professional Development Special Revenue Fund.....	91
OhioReads Special Revenue Fund .....	92
Safe School Helpline.....	93
Schools-that-Work Special Revenue Fund.....	94
Entry Year Teachers Grant Special Revenue Fund.....	95
Title II Eisenhower Special Revenue Fund.....	96
IDEA B Special Education Special Revenue Fund.....	97
Vocational Education Perkins Special Revenue Fund .....	98
Title III LEP Special Revenue Fund .....	99
Title I Special Revenue Fund .....	100
Title V Innovative Projects Special Revenue Fund .....	101
Drug Free Schools Special Revenue Fund .....	102
Title II-A Special Revenue Fund.....	103
Assistive Technology Special Revenue Fund .....	104
Reading Excellence Award Special Revenue Fund .....	105
OCIS Awareness Special Revenue Fund .....	106
Technology II-D Special Revenue Fund .....	107
Debt Service Fund .....	108
Permanent Improvement Capital Projects Fund.....	109
Ohio SchoolNet Capital Projects Fund .....	110

**NORTHWEST LOCAL SCHOOL DISTRICT, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

---

TABLE OF CONTENTS  
(continued)

	<u>PAGE</u>
<b>III. STATISTICAL SECTION</b>	
General Governmental Expenses/Expenditure by Function .....	112
General Governmental Revenues by Source .....	114
Property Tax Levies and Collections	
Real and Public Utility Property .....	116
Assessed and Estimated Actual Value of Taxable Property .....	118
Property Tax Rates-Direct and Overlapping Governments.....	120
Ratio of Net General Bonded Debts to Assessed Value and Net Bonded Debt per Capita.....	122
Computation of Direct and Overlapping Debt .....	123
Computation of Legal Debt Margin .....	124
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures .....	125
Demographic Statistics.....	126
Construction, Bank Deposits and Property Values .....	127
Real and Tangible Personal Property - Top Ten Taxpayers .....	128
Ten Largest Employers.....	129
Cost to Educate a 2003 Graduate .....	130
Number of Teachers: Education and Years of Experience .....	131
School Partnership Program Participants.....	132
Ten-Year Enrollment Projections.....	133
Schedule of Insurance Policies.....	134
Transportation Statistics.....	136



*December 18, 2003*

***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 [District] for the fiscal year ended June 30, 2003, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Auditor of State and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the 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 District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes a table of contents, this transmittal letter, a list of principal officials, the District's organization chart, the District's consultants and advisors, the GFOA and ASBO certificates the District received for the June 30, 2002 CAFR. Also included are the District's major current and future initiatives.

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

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

The 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 vocational levels; a broad range of cocurricular and extracurricular activities; adult and community education offerings; special education programs and facilities; and community recreational facilities.

The District receives pass through grants from the State and distributes these grants to parochial/private schools located within the District. This activity is included in the entity as the Auxiliary Services Special Revenue Fund, because of the District's administrative involvement in the program. The parochial/private schools served

are: Beautiful Savior Lutheran School, Fellowship Christian School, LaSalle High School, St. Ann, St. Bernard, St. Ignatius, St. James and St. John Elementary Schools. While these organizations share operational and service similarity with the 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 District is located in southwestern Ohio, a suburb of Cincinnati, in the north part of Hamilton County. Approximately 73% of the District's tax base are agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains very positive with low unemployment rates, growth in the local tax base, and low inflationary pressures.

The 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 District's resources.

***THE DISTRICT AND ITS FACILITIES***

The District is located in Hamilton County, approximately 12 miles from downtown Cincinnati, Ohio, and covers an area of 54 square miles. It serves pupils from Colerain, Green, Ross and Springfield Townships, with Colerain Township serving as its nucleus. Since 1960, the growth pattern in the District has been strong.

The District now houses 10,646 students in two high schools, three middle schools, nine elementary schools 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 maintenance and electronics. The District is the only local school district in Hamilton County with its own vocational program.

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2003 Enrollment</i>
1923	Colerain Elementary 4850 Poole Road	699
1932	Colerain Middle School 4700 Poole Road	725
1959	Struble Elementary 2760 Jonrose Ave.	350
1960	Taylor Elementary 3173 Springdale Road	540

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2003 Enrollment</i>
1961	White Oak Middle School 3130 Jessup Road	846
1961	Pleasant Run Elementary 11765 Hamilton Ave.	556
1964	Colerain High School 8801 Cheviot Road	2,058
1965	Weigel Elementary 3242 Banning Road	468
1966	Houston Elementary 3310 Compton Road	495
1969	Pleasant Run Middle 11770 Pippin Road	1,009
1970	Bevis Elementary 10133 Pottinger Road	506
1972	Northwest High School 10761 Pippin Road	1,276
1977	Welch Elementary 12084 Deerhorn Drive	367
2000	Monfort Heights Elementary 3711 West Fork Road	751

#### ***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 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, 2003, were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Pam Detzel	January, 1998	December, 2005	Administrative Assistant
Christopher Heather	January, 2001	December, 2005	Entrepreneur
Susan Mosley-Howard	January, 1997	December, 2005	Professor
William Lambert	January, 1995	December, 2003	Educational Consultant
Rick Stewart	January, 1992	December, 2003	Minister

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Dr. Kathryn Hellweg was appointed Superintendent in 2002. Dr. Hellweg has extensive professional experience in the educational environment, and has a doctorate from the University of Nebraska. She has served education in many capacities as an instructor both in secondary and college, a middle school principal, a high school principal and as an Assistant Superintendent.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mr. Randy L. Seymour was appointed Treasurer of the District in January, 1979. Mr. Seymour holds a B.B.A. Degree from the University of Cincinnati and did graduate work at Xavier University and the University of Cincinnati.

***EMPLOYEE RELATIONS***

The District currently has approximately 1,272 full-time and 108 part-time employees. The number of employees has been steady for the last several years. During the 2003 fiscal year, the District paid, from its General Fund \$48,007,568 in salaries and wages, and \$11,989,780 in fringe benefits, such as retirement contributions, workers' compensation, and life and health benefits.

The District's teachers are represented for collective bargaining purposes by the Northwest Association of Educators [NAE]. The District has a two year collective bargaining agreement with NAE which expires August 31, 2003. The District's transportation employees are represented for collective bargaining purposes by the Ohio Association of Public School Employees [OAPSE]. The District has a three year collective bargaining agreement with OAPSE which expires June 30, 2006.

## ***SERVICES PROVIDED***

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

Transportation is provided for over 10,000 students each day. The District fleet of 84 buses travels over 5,300 miles each day transporting to 28 different sites. In addition to making more than 562 daily runs, the department transported both public and non-public students on 1,839 extra-curricular trips during the year.

The food service department served 936,760 plate lunches through the District's 14 kitchens. This is accomplished through the full operation of 12 kitchens and 2 satellite sites, as well as a central bakery. The District currently offers a breakfast program at three elementary sites.

In addition to transportation and school lunch support services, students in the 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 14 school sites under the supervision of a registered nurse.

The District offers regular instructional programs daily to students in grades K-12. There are approximately 435 students in the specific trades through vocational education. Over 1,220 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 240 students participated in the gifted program. The District presented 686 high school diplomas in 2003.

## ***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.*
- *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 2003-2004 AND BEYOND

- Continue to provide a quality education for each student in NWLSD
- Align district goals and initiatives with state standards and federal mandates
- Continue to improve proficiency scores
- Meet the mandates of No Child Left Behind
  - graduation rate
  - state assessment passage rates for all students
  - meet adequate yearly progress goal each year
- Recruit and retain quality staff
- Provide time and resources for high quality staff development
- Continue to improve the utilization of technology to support student learning
- Increase enrichment and intervention opportunities for students

### DISTRICT GOALS FOR 2003-2004

#### *DISTRICT FOCUS: IMPROVE STUDENT ACHIEVEMENT*

##### *Goal 1: Improve instructional strategies.*

Continue using engaged learning strategies.

Expand academic intervention/enrichment programs.

Implement high quality research based programs and classroom instructional strategies.

Provide quality staff development opportunities based on building or district needs.

##### *Goal 2: Align district curriculum and classroom instruction with the Ohio Academic Content standards and proficiency/achievement tests.*

- Infuse standards into long-range plans for instruction.
- Provide staff development opportunities to share curriculum mapping and state standards with stakeholders using vertical and horizontal teams when appropriate.
- Create curriculum guides that contain materials, assessments and other curriculum resources that support use of the curriculum maps.
- Train teachers and administrators in content of Ohio Academic Content Standards as they are adopted by ODE.

*Goal 3: Use data effectively to improve results for students, buildings and the district.*

- Use data to determine academic placement and programming for students.
- Use data to evaluate the effectiveness of programs and instructional strategies.
- Use formative assessments to inform instruction.

*Goal 4: Implement high achieving middle schools.*

- Continue to research effective middle schools to perfect the sixth grade model and plan for grades 7 and 8.
- Continue the implementation plan into grades 7 and 8.
- Share the tenets of effective middle schools and the implementation plan with the Board, school staff, parents and the community.

### **CURRICULUM AND INSTRUCTION**

The focus of the District is on improving student achievement. To this end each District goal and objective is realized at the building level in an action plan designed to improve specific areas of student achievement. Professional development planning and funding has been moved to the building level to support these efforts. Curricular support has also been placed in the buildings in the form of Instructional Specialists who serve each district building 2-4 days a week depending on size.

The District has made major changes in our educational delivery system over the past several years. The high schools have converted to a 4 X 4 block schedule with no study halls. Graduation requirements are being increased to 26 credits. The ninth grade program in each high school has been redesigned to incorporate the skills necessary for the passage of the 10<sup>th</sup> grade Ohio Graduation Test. Both schools have implemented intervention and enrichment for standards-based classes.

The three middle schools are in the process of redesign. Planning for sixth grade redesign began in 2002-2003 and has resulted in teaming, academic enrichment classes, intervention classes in reading and mathematics, the use of interdisciplinary units, and increased parental contact. Planning continues for grades 7 and 8 during the 2003-2004 school year. All three middle schools will implement after school extended learning opportunities for sixth grade students in danger of failing the math proficiency test.

The elementary buildings have developed a program for intervention and enrichment called ROAR (Raising our Academic Results). This program is in all nine elementary buildings for the 2003-2004 school year and focuses on skills needed for the various state assessments. Teachers follow a pretest, teach, retest and reteach model for intervention on specific skills. All elementary buildings will implement after school extended learning opportunities for students in grades 3 and 4 who are in danger of failing state assessments.

The two Career and Technology Centers are undergoing a state audit to ensure the best programs are available for our students. This audit will provide the basis for future program and facility planning.

Across the District all personnel are focused on the district motto of BELIEVE, ACHIEVE, SUCCEED as the heart of our business.

### ***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 District maintains a three year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance check list. This three year plan provides the District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection of costs for these projects. An additional focus this year will be on determining future building needs and the impact of participation in the Ohio School Facilities Commission Expedited Local Partnership Program.

### ***FINANCIAL INFORMATION***

The 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. Cash 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 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 their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for fixed 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 controlled 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; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the District provides interim financial reports which detail 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 District are fully described in the notes to the general purpose financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the general purpose financial statements.

## ***FINANCIAL CONDITION***

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

***Government-wide financial statements*** These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

***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. Proprietary and fiduciary 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 new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2003 and the outlook for the future.

## ***CASH MANAGEMENT***

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of earnings on investments was \$386,741 for the year ended June 30, 2003.

The cash management program is designed to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure maximum interest rates.

The District's investment policy is to minimize market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by FDIC or collateralized. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

## ***RISK MANAGEMENT***

The District constantly faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. Generally, the District shifts the burden of such losses by entering into a casualty insurance contract whereby an insurance company, in consideration of a premium payment, assumes the risk of all or a portion of these losses. The Cincinnati Insurance Company provides insurance coverage on the buildings and contents, boiler and machinery, burglary/robbery/theft (inside and outside), earthquake, mobile instruction units, and radio and communication equipment. The Nationwide Insurance Company provides our liability insurance and insures our fleet of vehicles.

All employees are covered under the District's liability policy with Nationwide Insurance Company. The limits of liability are \$1,000,000 for each occurrence and \$3,000,000 in aggregate.

The Superintendent, Director of Business Services, Board Members and Treasurer are covered with performance bonds from the ITT Hartford Insurance Company in the amount of \$20,000 each. The District uses the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries.

### ***INDEPENDENT AUDIT***

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The Auditor of State's unqualified opinion rendered on the 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 District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

### ***AWARDS***

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

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2002. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2003, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

**ACKNOWLEDGEMENTS**

The preparation of the 2003 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the District's Finance Department and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,

A handwritten signature in cursive script, reading "Randy L. Seymour", is written over a horizontal line.

Randy L. Seymour  
Treasurer

# 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, 2002

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



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

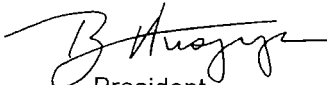
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The logo of the Association of School Business Officials International (ASBO International) is a circular emblem. It features the letters 'ASBO' in a stylized, bold font in the center. The words 'ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL' are written around the perimeter of the circle, with a small star at the bottom center.

This Certificate of Excellence in Financial Reporting is presented to  
**NORTHWEST LOCAL SCHOOL DISTRICT**  
For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2002

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

  
President

  
Executive Director

**LIST OF PRINCIPAL OFFICIALS**  
*As of June 30, 2003*

**ELECTED OFFICIALS**

Rick Stewart ..... President, Board of Education  
Susan Mosley-Howard..... Vice-President, Board of Education  
Pamela Detzel ..... Board Member  
Christopher Heather..... Board Member  
William Lambert..... Board Member

**ADMINISTRATIVE OFFICE PERSONNEL**

Kathryn Hellweg ..... Superintendent  
Margaret M. Rennie ..... Assistant Superintendent  
Judith Vermillion..... Associate Superintendent of Instruction  
Lester I. Tacy ..... Associate Superintendent of Business Services  
Debra Hopper ..... Director of Staff Development  
J. Richard Glatfelter ..... Director of Testing and Research  
Tamara Huffman ..... Director of Student Services  
Diane Brunsman ..... Director of Human Resources  
Sue Jones ..... Director of Federal Programs  
Randy L. Seymour ..... Treasurer

**DISTRICT SUPERVISORS**

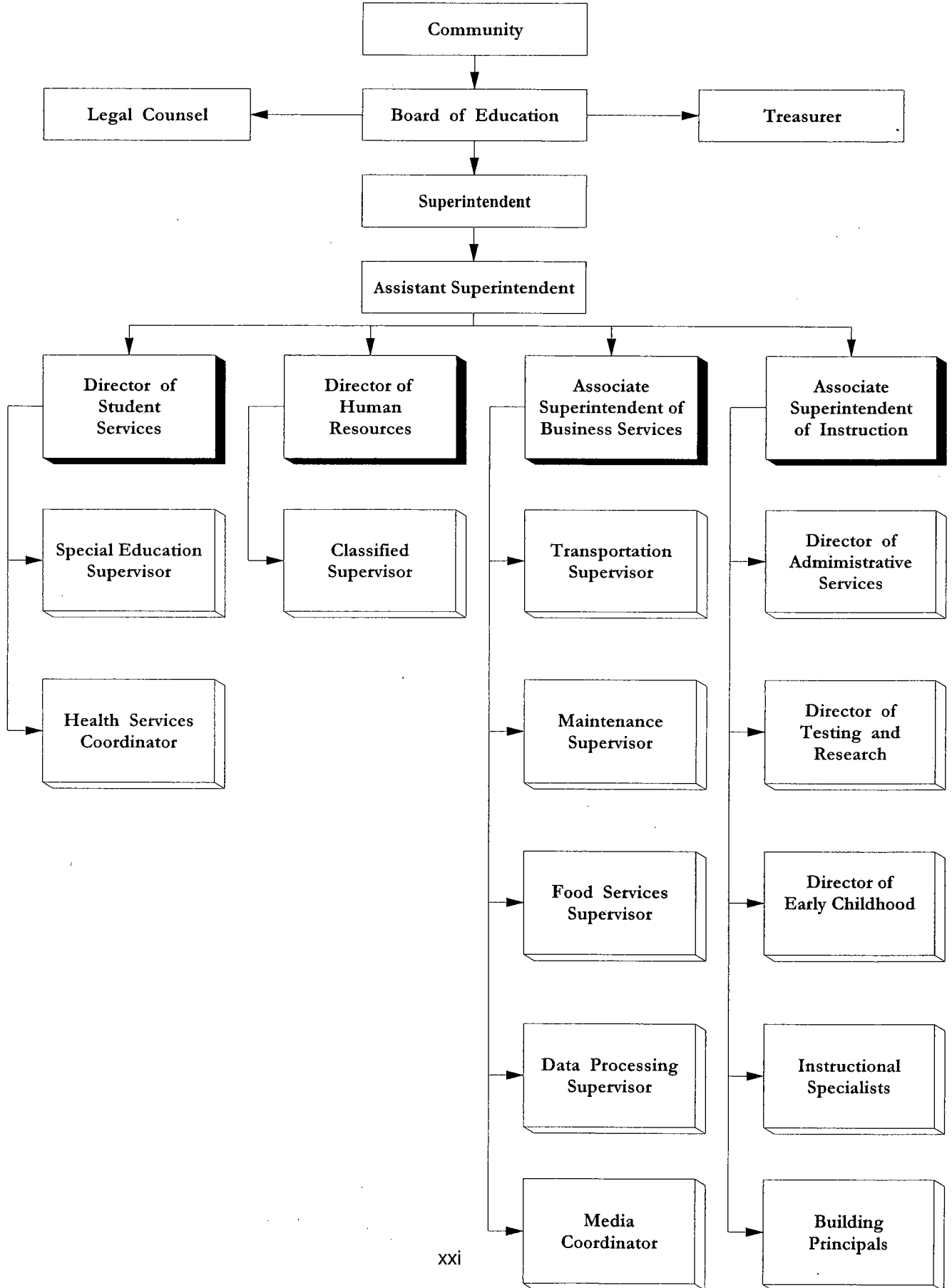
Andreas Scheidt ..... Maintenance  
Robert Engel ..... Transportation  
Renita Heideman ..... Technology  
Tina Lefkoff ..... Special Education  
Mary Jo Pfaffinger ..... Systems Manager/Data Processing  
Cheryl Chancey Romans ..... Food Service  
Grace Seurkamp ..... Classified Employees

*CURRICULUM INSTRUCTIONAL SPECIALISTS*

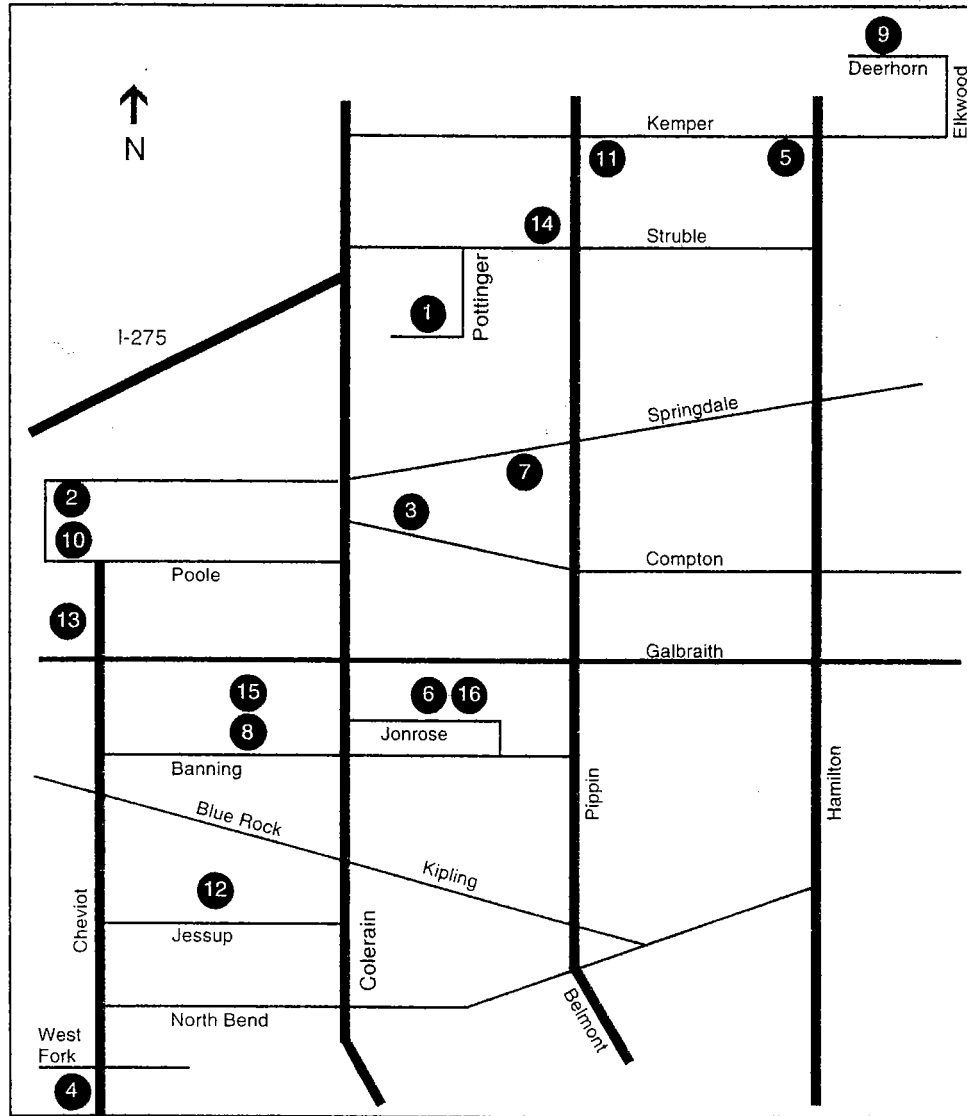
Diane Adams ..... Elementary  
Karen Burke..... Elementary  
Patricia Coon-Knochelmann ..... Elementary  
Erin Davidson ..... Elementary  
Linda Dawes ..... Elementary  
Lori Friedman ..... Technology  
Lynda Fritz..... Health Services  
Cheryl Gabe ..... Public Relations  
Jennifer Klein ..... Middle  
Kelli Kocheck ..... Elementary  
Paul Lorenz ..... Career and Technical  
Monica Mitter ..... High  
Emily O’Mahoney-Higgins ..... Elementary  
Therese Prysock..... Middle  
Kris Rojas ..... Gifted  
Hugh Schaffer ..... Audio Visual



**NORTHWEST LOCAL SCHOOL DISTRICT  
ORGANIZATIONAL CHART AS OF JUNE 30, 2003**



## SCHOOL DISTRICT MAP



### Northwest Directory

1. Bevis Elementary	10133 Pottinger Road (45251)	825-3102
2. Colerain Elementary	4850 Poole Road (45251)	385-8740
3. Houston Elementary	3310 Compton Road (45251)	385-8000
4. Monfort Heights Elementary	3711 West Fork Road (45247)	389-1570
5. Pleasant Run Elementary	11765 Hamilton Avenue (45231)	825-7070
6. Struble Elementary	2760 Jonrose Avenue (45239)	522-2700
7. Taylor Elementary	3173 Springdale Road (45251)	825-3000
8. Weigel Elementary	3242 Banning Road (45239)	923-4040
9. Welch Elementary	12084 Deerhorn Drive (45240)	742-1240
10. Colerain Middle	4700 Poole Road (45251)	385-8490
11. Pleasant Run Middle	11770 Pippin Road (45231)	851-2400
12. White Oak Middle	3130 Jessup Road (45239)	741-4300
13. Colerain High	8801 Cheviot Road (45251)	385-6424
Colerain Career Center	8801 Cheviot Road (45251)	741-5000
14. Northwest High	10761 Pippin Road (45231)	851-7300
Northwest Career Center	10761 Pippin Road (45231)	742-6344
15. Administrative Center	3240 Banning Road (45239)	923-1000
16. Educational Service Center	2762 Jonrose Avenue (45239)	522-6700

**CONSULTANTS AND ADVISORS**  
*As of June 30, 2003*

**ASBESTOS**

*P.E.I. Associates  
11499 Chester Road  
Cincinnati, Ohio 45246*

**ARCHITECTS**

*Steed-Hammond-Paul  
82 Williams Avenue  
Hamilton, Ohio 45011*

**BOND COUNSEL**

*Peck, Shaffer and Williams  
425 Walnut Street  
Cincinnati, Ohio 45202*

**FINANCIAL REPORTING**

*Plattensburg and Associates, Inc.  
8260 Northcreek Drive, Suite 330  
Cincinnati, Ohio 45236*

**INDEPENDENT AUDITOR**

*Betty Montgomery  
Auditor of State  
250 West Court Street  
Suite 150E  
Cincinnati, Ohio 45202*

**LEGAL COUNSEL**

*Ennis, Roberts and Fischer  
Attorneys at Law  
121 West Ninth Street  
Cincinnati, Ohio 45202-1904*

*Michael Allen  
County Prosecuting Attorney  
Hamilton County Court House  
Cincinnati, Ohio 45202*

*(continued)*

**CONSULTANTS AND ADVISORS**  
*As of June 30, 2003 (concluded)*

**OFFICIAL DEPOSITORIES**

*Fifth Third Bank  
Monfort Heights Office  
5540 Cheviot Road  
Cincinnati, Ohio 45247*

*PNC Bank  
6015 Colerain Avenue  
Cincinnati, Ohio 45239*

*Provident Bank  
Groesbeck Branch  
7044 Colerain Avenue  
Cincinnati, Ohio 45239*

*U.S. Bank  
Colerain Hills Office  
8250 Colerain Avenue  
Cincinnati, Ohio 45239*

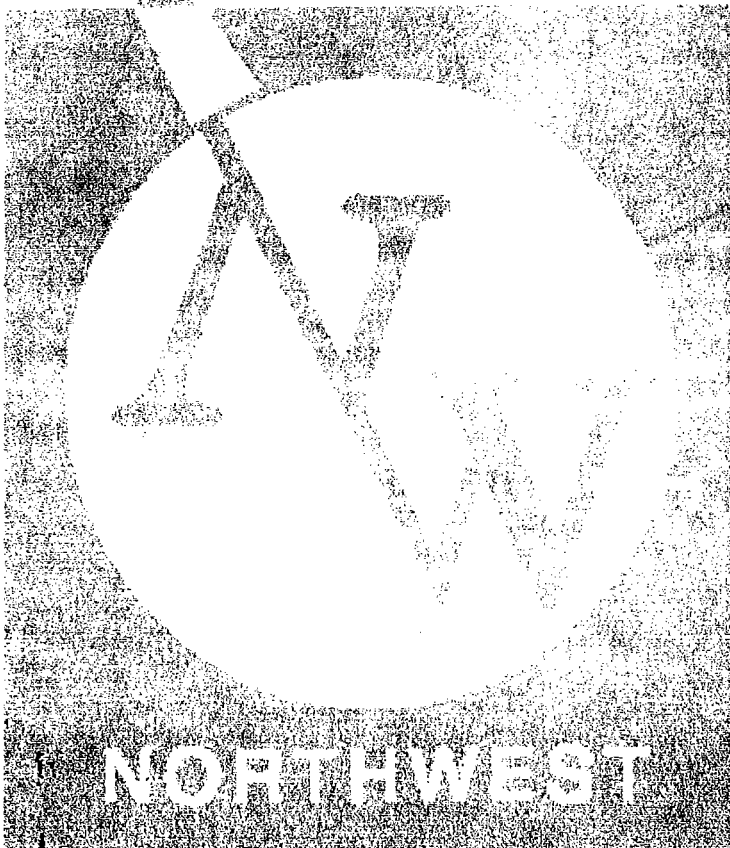
**PROFESSIONAL NEGOTIATORS**

*Ennis, Roberts and Fischer  
Attorneys at Law  
121 West Ninth Street  
Cincinnati, Ohio 45202-1904*

**WORKERS' COMPENSATION**

*Sheakley Uniservice, Inc.  
100 Merchant Street  
Cincinnati, Ohio 45242*

**Financial  
Section**



**Northwest Local  
School District**





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT**

Northwest Local School District  
Hamilton County  
3240 Banning Road  
Cincinnati, Ohio 45239

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Northwest Local School District, Hamilton County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2003, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund statements and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual non-major fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical table to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Betty Montgomery**  
Auditor of State

December 12, 2003



# **NORTHWEST LOCAL SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Year Ended June 30, 2003 (Unaudited)**

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The discussion and analysis of Northwest Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

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

## **Financial Highlights**

Key financial highlights for 2003 are as follows:

- In total, net assets increased \$3.57 million. Net assets of governmental activities increased \$3.77 million which represents a seventeen and three-tenths percent (17.3%) increase from 2002. Net assets of business-type activities decreased \$.20 million or seventy percent (70.0%) from 2002.
- General revenues accounted for \$76.63 million in revenue or eighty-nine and nine-tenths percent (89.9%) of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8.57 million or ten and one-tenth percent (10.1%) of total revenues of \$85.20 million.
- Total assets of governmental activities increased by \$1.20 million and taxes receivable increased by \$2.30 million while cash and other receivables increased by \$.16 million.
- The District had \$81.44 million in expenses related to governmental activities; only \$8.57 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$76.63 million were adequate to provide for these programs.
- As the major fund, the General Fund had \$76.60 million in revenues and \$72.93 million in expenditures. The General Fund's fund balance increased from \$16.93 to \$20.64 million.

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)**

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- Net assets for Enterprise Funds decreased significantly. This decrease resulted from the reclassification of the Uniform School Supply Fund. However the funds ended the year with revenues of \$2.14 million, grants of \$.83 million and operating expenses of \$3.17 million resulting in an operating loss of \$.20 million.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The *Statement of Net Assets* and *Statements of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the 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 District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund is the major fund of the District.

***Reporting the School District as a Whole***

*Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2003?" The *Statement of Net Assets* and the *Statement of Activities* answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the 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 District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)**

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In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service and customer service funds are reported as business activities.

***Reporting the District's Most Significant Funds***

***Fund Financial Statements***

The analysis of the District's major fund begins on page 16. Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

***Governmental Funds*** Most of the 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 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 Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

***Proprietary Funds*** Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)**

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**The District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net assets for 2002 compared to 2003:

(Table 1)  
Net Assets  
Restricted & Unrestricted

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Restated 2002</u>	<u>2003</u>	<u>Restated 2002</u>	<u>2003</u>	<u>Restated 2002</u>	<u>2003</u>
Assets						
Current and Other Assets	\$53,015,432	\$55,124,243	\$605,331	\$478,802	\$53,620,763	\$55,603,045
Capital Assets	<u>28,788,474</u>	<u>27,880,207</u>	<u>48,451</u>	<u>76,047</u>	<u>28,836,925</u>	<u>27,956,254</u>
Total Assets	<u>81,803,906</u>	<u>83,004,450</u>	<u>653,782</u>	<u>554,849</u>	<u>82,457,688</u>	<u>83,559,299</u>
Liabilities						
Long-Term Liabilities	28,304,458	27,395,163	94,171	117,255	28,398,629	27,512,418
Other Liabilities	<u>31,745,546</u>	<u>30,086,214</u>	<u>279,921</u>	<u>353,739</u>	<u>32,025,467</u>	<u>30,439,953</u>
Total Liabilities	<u>60,050,004</u>	<u>57,481,377</u>	<u>374,092</u>	<u>470,994</u>	<u>60,424,096</u>	<u>57,952,371</u>
Net Assets						
Invested in Capital						
Assets Net of Debt	4,998,475	4,540,207	48,451	76,047	5,046,926	4,616,254
Restricted	3,148,603	3,208,243	0	0	3,148,603	3,208,243
Unrestricted	<u>13,606,824</u>	<u>17,774,623</u>	<u>231,239</u>	<u>7,808</u>	<u>13,838,063</u>	<u>17,782,431</u>
Total Net Assets	<u>\$21,753,902</u>	<u>\$25,523,073</u>	<u>\$279,690</u>	<u>\$83,855</u>	<u>\$22,033,592</u>	<u>\$25,606,928</u>

Total assets increased \$1.10 million. Equity in pooled cash and cash equivalents decreased \$.21 million. Taxes receivable increased \$2.30 million. Total liabilities decreased \$2.48 million, resulting in a net asset increase of \$3.58 million.

The net assets of the District business-type activities decreased by \$.20 million. Since the decrease was slight, management has reviewed and, where feasible, will increase fees. Food service pricing was increased an average of five percent (5%) in August, 2002. This action should ensure that business-type activities remain self-supporting.

Table 2 shows the change in net assets for fiscal year 2003.

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)**

Table 2  
Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	Restated		Restated		Restated	
	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>
Revenues						
Program Revenues:						
Charges for Services	\$2,434,465	\$2,343,247	\$2,090,606	\$2,137,214	\$4,525,071	\$4,480,461
Operating Grants	5,094,519	5,655,375	952,045	832,129	6,046,564	6,487,504
Capital Grants	360,516	574,646	0	0	360,516	574,646
General Revenue:						
Property Taxes	39,197,785	42,274,110	0	0	39,197,785	42,274,110
Grants and Entitlements	30,986,081	32,216,453	0	0	30,986,081	32,216,453
Other	<u>1,987,138</u>	<u>2,143,797</u>	<u>6,480</u>	<u>3,775</u>	<u>1,993,618</u>	<u>2,147,572</u>
Total Revenues	<u>80,060,504</u>	<u>85,207,628</u>	<u>3,049,131</u>	<u>2,973,118</u>	<u>83,109,635</u>	<u>88,180,746</u>
Program Expenses:						
Instruction	44,490,969	45,411,314	0	0	44,490,969	45,411,314
Support Services:						
Pupil and Instructional Staff Board, Administrative, Fiscal and Business	8,790,615	9,314,933	0	0	8,790,615	9,314,933
Operations and Maintenance	7,022,823	7,205,774	0	0	7,022,823	7,205,774
Pupil Transportation	8,058,321	8,245,783	0	0	8,058,321	8,245,783
Central	3,567,960	4,088,325	0	0	3,567,960	4,088,325
Community Services	1,342,996	1,371,668	0	0	1,342,996	1,371,668
Extracurricular Activities	2,679,136	2,924,980	0	0	2,679,136	2,924,980
Interest and Fiscal Charges	1,405,292	1,664,320	0	0	1,405,292	1,664,320
Food Service	1,228,722	1,211,360	0	0	1,228,722	1,211,360
Customer Service	0	0	2,958,057	3,157,881	2,958,057	3,157,881
	<u>0</u>	<u>0</u>	<u>11,032</u>	<u>11,072</u>	<u>11,032</u>	<u>11,072</u>
Total Expenses	<u>78,586,834</u>	<u>81,438,457</u>	<u>2,969,089</u>	<u>3,168,953</u>	<u>81,555,923</u>	<u>84,607,410</u>
Increase in Net Assets	<u>\$1,473,670</u>	<u>\$3,769,171</u>	<u>\$80,042</u>	<u>(\$195,835)</u>	<u>\$1,553,712</u>	<u>\$3,573,336</u>

**Governmental Activities**

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised eighty-seven percent (87%) of the District's revenues for governmental activities.

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)**

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The 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 this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio 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 fifty percent (50%) of revenue for governmental activities for the District in fiscal year 2003.

Instruction comprises fifty-six percent (56%) of governmental program expenses. Support services expenses were thirty-seven percent (37%) of governmental program expenses. Interest expense was one and five-tenths percent (1.5%). Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Program revenues increased \$1.21 million or 16.43%, due mainly to an increase in restricted grants received from other governments. In addition, grants and entitlements not restricted to specific programs increased \$1.01 million or 3.25%. This increase was primarily related to an increase in state foundation settlement receipts. Investment earnings decreased significantly due to declining interest rates.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. 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 <u>2002</u>	Total Cost of Services <u>2003</u>	Net Cost of Services <u>2002</u>	Net Cost of Services <u>2003</u>
Instruction	\$44,490,969	\$45,411,314	\$41,629,156	\$42,352,410
Support Services:				
Pupil and Instructional Staff	8,790,615	9,314,933	7,620,172	8,100,321
Board, Administration, Fiscal and Business	7,022,823	7,205,774	6,780,117	6,924,140
Operations and Maintenance	8,058,321	8,245,783	7,790,669	7,936,904
Pupil Transportation	3,567,960	4,088,325	3,463,160	3,971,098
Central	1,342,996	1,371,668	1,265,066	1,291,480
Community Services	2,679,136	2,924,980	157,252	44,809
Extracurricular Activities	1,405,292	1,664,320	759,246	1,032,667
Interest and Fiscal Charges	<u>1,228,722</u>	<u>1,211,360</u>	<u>1,228,722</u>	<u>1,211,360</u>
Total Expenses	<u>\$78,586,834</u>	<u>\$81,438,457</u>	<u>\$70,693,560</u>	<u>\$72,865,189</u>

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)**

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Total governmental expenses increased by \$3.38 million. This was due primarily to increases in the cost of instructional and support services, resulting from a five percent (5%) increase in salaries and the hiring of ten additional teachers.

**Business-Type Activities**

Business-type activities, include the food service operation and custom service supplies. These programs had revenues of \$2.97 million and expenses of \$3.17 million for fiscal year 2003. As discussed earlier, management has reviewed these programs and food service fees were increased five percent (5%) in August, 2002. Business activities receive no support from tax revenues. The District will continue to monitor the charges and costs of this activity. If it becomes necessary, the District will adjust charges for this activity.

**The District's Funds**

Information about the District's major funds start on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$84.78 million and expenditures and other financing uses of \$81.13 million. The net change in fund balance for the year was \$3.65 million or 18.3%. The fund balance in the General Fund increased by \$3.70 million or 21.9%. This increase was primarily due to the impact of the activities of the General Fund.

***General Fund Budgeting Highlights***

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

During the course of fiscal 2003, the District amended its general fund budget numerous times, however none were significant. The 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 District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, budget basis revenue was \$72.48 million, above original budget estimates of \$71.01 million. Of this \$1.47 million difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District's ending unobligated cash balance was \$5.05 million above the final budgeted amount.

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)**

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**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2003, the District had \$27.8 million invested in land, buildings, equipment and vehicles. Table 4 shows fiscal 2003 balances compared to fiscal 2002:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Restated 2002</u>	<u>2003</u>	<u>Restated 2002</u>	<u>2003</u>	<u>Restated 2002</u>	<u>2003</u>
Land and Improvements	\$3,552,125	\$3,552,125	\$0	\$0	\$3,552,125	\$3,552,125
Buildings and Improvements	22,560,897	21,665,009	0	0	22,560,897	21,665,009
Furniture and Equipment	855,803	748,098	48,451	76,047	904,254	824,145
Vehicles	<u>1,819,649</u>	<u>1,914,975</u>	<u>0</u>	<u>0</u>	<u>1,819,649</u>	<u>1,914,975</u>
Total Capital Assets	<u>\$28,788,474</u>	<u>\$27,880,207</u>	<u>\$48,451</u>	<u>\$76,047</u>	<u>\$28,836,925</u>	<u>\$27,956,254</u>

The decrease in capital assets is due to \$.64 million in acquisitions, offset by the recognition of \$1.50 million in depreciation expense. This District continues its ongoing commitment to maintaining and improving its capital assets.

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

*Debt*

At June 30, 2003, the District had \$23,340,000 in bonds outstanding, \$495,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5  
Outstanding Debt, at Year End

	<u>Governmental Activities 2003</u>	<u>Governmental Activities 2002</u>
Total:		
General Obligation Bonds:		
1998 School Improvement	<u>\$23,340,000</u>	<u>\$23,790,000</u>

In 1998 the District passed a 1.26 mill bond issue, providing \$25.0 million for a new elementary building, facility improvements for each middle school, and other various improvements.



**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (concluded)  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)**

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At June 30, 2003, the District's overall legal debt margin was \$133,366,152 with an unvoted debt margin of \$1,481,846. The District maintains an A-1 bond rating.

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

### **For the Future**

Externally, the Ohio Supreme Court found the State of Ohio in March 1997, to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes which are inherently not "equitable" nor "adequate". The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In 2001, the Ohio legislature crafted a school-funding program to address the Court's concerns.

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

With no increase in state funding projected, the District must increase revenues by submitting an operating levy to the community in the near future. At this time, the Board has not set the date and amount for the levy. The District is projecting a slight increase in enrollment, so a need for increased revenues is projected for fiscal year 2004. This increased funding will be needed to provide all students a quality education. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

The District has committed itself to financial excellence for many years. The District has 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.

In addition, the District's system of budgeting and internal controls is well regarded. All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

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

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Randy Seymour, Treasurer at Northwest Local School District, 3240 Banning Road, Cincinnati, Ohio 45239. Or E-mail at [seymra@nwlsd.org](mailto:seymra@nwlsd.org).

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Northwest Local School District  
Statement of Net Assets  
June 30, 2003

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$17,384,590	\$362,381	\$17,746,971
Cash with Fiscal and Escrow Agents	189,443	0	189,443
<b>Receivables:</b>			
Taxes	37,108,713	0	37,108,713
Accounts	67,704	2,414	70,118
Interest	41,577	0	41,577
Intergovernmental	332,216	0	332,216
Inventory	0	114,007	114,007
Nondepreciable Capital Assets	3,552,125	0	3,552,125
Depreciable Capital Assets, Net	24,328,082	76,047	24,404,129
<b>Total Assets</b>	<b>83,004,450</b>	<b>554,849</b>	<b>83,559,299</b>
<b>Liabilities:</b>			
Accounts Payable	102,743	2,114	104,857
Accrued Wages and Benefits	7,151,178	341,714	7,492,892
Arbitrage Rebate Payable	189,443	0	189,443
Accrued Interest Payable	101,012	0	101,012
Deferred Revenue	22,541,838	9,911	22,551,749
<b>Long-Term Liabilities:</b>			
Due Within One Year	1,221,848	4,707	1,226,555
Due In More Than One Year	26,173,315	112,548	26,285,863
<b>Total Liabilities</b>	<b>57,481,377</b>	<b>470,994</b>	<b>57,952,371</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	4,540,207	76,047	4,616,254
<b>Restricted for:</b>			
Special Revenue	708,510	0	708,510
Debt Service	1,636,183	0	1,636,183
Capital Projects	863,550	0	863,550
Unrestricted	17,774,623	7,808	17,782,431
<b>Total Net Assets</b>	<b>\$25,523,073</b>	<b>\$83,855</b>	<b>\$25,606,928</b>

See accompanying notes.

Northwest Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2003

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$35,522,485	\$1,229,025	\$611,224	\$209,980
Special	7,772,135	179,091	814,039	0
Vocational	2,116,694	0	15,545	0
<b>Support Services:</b>				
Pupil	4,311,310	0	402,486	0
Instructional Staff	5,003,623	0	812,126	0
General Administration	120,895	0	0	0
School Administration	5,146,738	0	273,038	0
Fiscal	1,360,512	0	8,596	0
Business	577,629	0	0	0
Operations and Maintenance	8,245,783	61,440	0	247,439
Pupil Transportation	4,088,325	0	0	117,227
Central	1,371,668	0	80,188	0
Community Services	2,924,980	242,038	2,638,133	0
Extracurricular Activities	1,664,320	631,653	0	0
Interest and Fiscal Charges	1,211,360	0	0	0
<b>Total Governmental Activities</b>	<b>81,438,457</b>	<b>2,343,247</b>	<b>5,655,375</b>	<b>574,646</b>
<b>Business-Type Activities:</b>				
Food Service	3,157,881	2,121,451	832,129	0
Customer Service	11,072	15,798	0	0
<b>Total Business-Type Activities</b>	<b>3,168,953</b>	<b>2,137,249</b>	<b>832,129</b>	<b>0</b>
<b>Totals</b>	<b>\$84,607,410</b>	<b>\$4,480,496</b>	<b>\$6,487,504</b>	<b>\$574,646</b>

General Revenues:  
Property Taxes Levied for:  
    General Purposes  
    Debt Service  
Grants and Entitlements not Restricted to Specific Programs  
Payment in Lieu of Taxes  
Earnings on Investments  
Other Revenues  
  
Total General Revenues  
  
Change in Net Assets  
  
Net Assets Beginning of Year  
  
Net Assets End of Year

See accompanying notes.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$33,472,256)	\$0	(\$33,472,256)
(6,779,005)	0	(6,779,005)
(2,101,149)	0	(2,101,149)
(3,908,824)	0	(3,908,824)
(4,191,497)	0	(4,191,497)
(120,895)	0	(120,895)
(4,873,700)	0	(4,873,700)
(1,351,916)	0	(1,351,916)
(577,629)	0	(577,629)
(7,936,904)	0	(7,936,904)
(3,971,098)	0	(3,971,098)
(1,291,480)	0	(1,291,480)
(44,809)	0	(44,809)
(1,032,667)	0	(1,032,667)
(1,211,360)	0	(1,211,360)
(72,865,189)	0	(72,865,189)
0	(204,301)	(204,301)
0	4,726	4,726
0	(199,575)	(199,575)
(\$72,865,189)	(\$199,575)	(\$73,064,764)
40,665,767	0	40,665,767
1,608,343	0	1,608,343
32,216,453	0	32,216,453
1,436,898	0	1,436,898
383,001	3,740	386,741
323,898	0	323,898
76,634,360	3,740	76,638,100
3,769,171	(195,835)	3,573,336
21,753,902	279,690	22,033,592
\$25,523,073	\$83,855	\$25,606,928

Northwest Local School District  
 Balance Sheet  
 Governmental Funds  
 June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$14,636,150	\$2,748,440	\$17,384,590
Cash with Fiscal and Escrow Agents	189,443	0	189,443
<b>Receivables:</b>			
Taxes	35,734,434	1,374,279	37,108,713
Accounts	67,704	0	67,704
Interest	41,577	0	41,577
Intergovernmental	14,116	318,100	332,216
Interfund	3,911	0	3,911
<b>Total Assets</b>	<b>\$50,687,335</b>	<b>\$4,440,819</b>	<b>\$55,128,154</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$99,632	\$3,111	\$102,743
Accrued Wages and Benefits	6,323,046	234,603	6,557,649
Compensated Absences	473,376	2,256	475,632
Arbitrage Rebate Payable	189,443	0	189,443
Interfund Payable	0	3,911	3,911
Deferred Revenue	22,964,556	1,163,179	24,127,735
<b>Total Liabilities</b>	<b>30,050,053</b>	<b>1,407,060</b>	<b>31,457,113</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	501,362	233,803	735,165
Reserved for Property Tax Advances	12,797,100	529,200	13,326,300
<b>Unreserved, Undesignated, Reported in:</b>			
General Fund	7,338,820	0	7,338,820
Special Revenue Funds	0	199,211	199,211
Debt Service Funds	0	1,207,995	1,207,995
Capital Projects Funds	0	863,550	863,550
<b>Total Fund Balances</b>	<b>20,637,282</b>	<b>3,033,759</b>	<b>23,671,041</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$50,687,335</b>	<b>\$4,440,819</b>	<b>\$55,128,154</b>

See accompanying notes.

Northwest Local School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 June 30, 2003

Total Governmental Fund Balance	\$23,671,041
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Land and Improvements	3,552,125	
Buildings and Improvements	48,328,949	
Furniture and Equipment	4,615,686	
Vehicles	5,186,763	
Accumulated Depreciation	(33,803,316)	
Total Capital Assets	27,880,207	27,880,207

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Payments in lieu of Taxes	1,240,576	
Intergovernmental Receivables	345,321	
Total Long-term Assets	1,585,897	1,585,897

In the statement of net assets, interest is accrued, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources. (101,012)

Long-term liabilities, such as compensated absences and accrued benefits, do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These consist of:

Compensated Absences	(3,579,531)	
Accrued Benefits	(593,529)	
Total Long-term Liabilities	(4,173,060)	(4,173,060)

Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds. (23,340,000)

Net Assets of Governmental Activities	\$25,523,073
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See accompanying notes.

Northwest Local School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$40,665,766	\$1,608,343	\$42,274,109
Revenue in Lieu of Taxes	1,136,800	0	1,136,800
Tuition	828,575	0	828,575
Earnings on Investments	349,779	6,000	355,779
Intergovernmental	31,919,801	6,023,276	37,943,077
Extracurricular Activities	0	511,575	511,575
Other Revenues	1,703,732	0	1,703,732
<b>Total Revenues</b>	<b>76,604,453</b>	<b>8,149,194</b>	<b>84,753,647</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	34,386,335	568,672	34,955,007
Special	6,622,441	1,104,997	7,727,438
Vocational	1,993,306	34,404	2,027,710
<b>Support Services:</b>			
Pupil	3,906,144	425,633	4,331,777
Instructional Staff	4,093,314	923,835	5,017,149
General Administration	120,895	0	120,895
School Administration	4,853,677	223,474	5,077,151
Fiscal	1,309,055	31,742	1,340,797
Business	559,547	0	559,547
Operations and Maintenance	8,131,239	77,308	8,208,547
Pupil Transportation	4,163,750	7,000	4,170,750
Central	1,301,427	42,714	1,344,141
Community Services	323,469	2,595,238	2,918,707
Extracurricular Activities	1,164,995	501,069	1,666,064
<b>Debt Service:</b>			
Principal Retirement	0	450,000	450,000
Interest and Fiscal Charges	0	1,212,152	1,212,152
<b>Total Expenditures</b>	<b>72,929,594</b>	<b>8,198,238</b>	<b>81,127,832</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,674,859</b>	<b>(49,044)</b>	<b>3,625,815</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	27,340	0	27,340
<b>Total Other Financing Sources (Uses)</b>	<b>27,340</b>	<b>0</b>	<b>27,340</b>
<b>Net Change in Fund Balances</b>	<b>3,702,199</b>	<b>(49,044)</b>	<b>3,653,155</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>16,935,083</b>	<b>3,082,803</b>	<b>20,017,886</b>
<b>Fund Balances End of Year</b>	<b>\$20,637,282</b>	<b>\$3,033,759</b>	<b>\$23,671,041</b>

See accompanying notes.



Northwest Local School District  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2003

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Net Change in Fund Balance - Total Governmental Funds \$3,653,155

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

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

Capital Asset Additions	579,596	
Depreciation Expense	(1,487,863)	
Total	(908,267)	(908,267)

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

Revenue In-Lieu of Taxes	300,098	
Grants and Contributions	126,543	
Total	426,641	426,641

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 450,000

In the statement of activities, interest is accrued, whereas in governmental funds, an interest expenditure is reported when due. 792

Some expenses reported in the statement of activities, such as compensated absences and accrued benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Wages and Benefits	100,517	
Compensated Absences	46,333	
Total	146,850	146,850

Change in Net Assets of Governmental Activities \$3,769,171

See accompanying notes.

Northwest Local School District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$36,936,700	\$36,936,700	\$37,345,666	\$408,966
Revenue in Lieu of Taxes	840,000	840,000	1,136,800	296,800
Tuition and Fees	965,000	965,000	877,881	(87,119)
Interest	600,000	600,000	359,868	(240,132)
Intergovernmental	31,119,870	31,119,870	31,928,593	808,723
Other Revenues	550,000	550,000	826,796	276,796
<b>Total Revenues</b>	<b>71,011,570</b>	<b>71,011,570</b>	<b>72,475,604</b>	<b>1,464,034</b>
Expenditures:				
Current:				
Instruction:				
Regular	35,850,415	35,415,510	34,224,471	1,191,039
Special	6,965,040	7,065,040	6,767,082	297,958
Vocational	2,201,200	2,201,200	2,004,604	196,596
Support Services:				
Pupil	3,974,390	4,282,890	3,741,713	541,177
Instructional Staff	4,397,550	4,397,650	3,892,675	504,975
General Administration	227,160	227,660	116,995	110,665
School Administration	5,124,178	5,124,678	4,931,836	192,842
Fiscal	1,382,825	1,389,025	1,305,140	83,885
Business	658,485	673,485	636,970	36,515
Operations and Maintenance	8,704,151	8,711,852	8,511,178	200,674
Pupil Transportation	4,258,123	4,368,923	4,338,272	30,651
Central	1,392,410	1,392,410	1,289,009	103,401
Community Services	293,165	298,764	294,383	4,381
Extracurricular Activities	1,197,770	1,227,775	1,160,923	66,852
<b>Total Expenditures</b>	<b>76,626,862</b>	<b>76,776,862</b>	<b>73,215,251</b>	<b>3,561,611</b>
Excess of Revenues Over (Under) Expenditures	(5,615,292)	(5,765,292)	(739,647)	5,025,645
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	5,000	5,000	27,340	22,340
<b>Total Other Financing Sources (Uses)</b>	<b>5,000</b>	<b>5,000</b>	<b>27,340</b>	<b>22,340</b>
<b>Net Change in Fund Balance</b>	<b>(5,610,292)</b>	<b>(5,760,292)</b>	<b>(712,307)</b>	<b>5,047,985</b>
Fund Balance Beginning of Year	12,617,473	12,617,473	12,617,473	0
Prior year encumbrances appropriated	1,576,863	1,576,863	1,576,863	0
<b>Fund Balance End of Year</b>	<b>\$8,584,044</b>	<b>\$8,434,044</b>	<b>\$13,482,029</b>	<b>\$5,047,985</b>

See accompanying notes.

Northwest Local School District  
Statement of Net Assets  
Proprietary Funds  
June 30, 2003

	<u>Business-Type Activities -Enterprise Funds</u>		
	<u>Food Service</u>	<u>Customer Service</u>	<u>Total</u>
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$353,342	\$9,039	\$362,381
<b>Receivables:</b>			
Accounts	2,414	0	2,414
Inventory	114,007	0	114,007
<b>Total Current Assets</b>	<b>469,763</b>	<b>9,039</b>	<b>478,802</b>
Depreciable Capital Assets, Net	76,047	0	76,047
<b>Total Assets</b>	<b>545,810</b>	<b>9,039</b>	<b>554,849</b>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	2,114	0	2,114
Accrued Wages and Benefits	341,714	0	341,714
Compensated Absences	4,707	0	4,707
Deferred Revenue	9,911	0	9,911
<b>Total Current Liabilities</b>	<b>358,446</b>	<b>0</b>	<b>358,446</b>
<b>Long-Term Liabilities:</b>			
Compensated Absences	112,548	0	112,548
<b>Total Liabilities</b>	<b>470,994</b>	<b>0</b>	<b>470,994</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	76,047	0	76,047
Unrestricted	(1,231)	9,039	7,808
<b>Total Net Assets</b>	<b>\$74,816</b>	<b>\$9,039</b>	<b>\$83,855</b>

See accompanying notes.

Northwest Local School District  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2003

	<u>Business-Type Activities -Enterprise Funds</u>		
	<u>Food Service</u>	<u>Customer Service</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$2,121,451	\$15,798	\$2,137,249
Other Revenues	0	0	0
<b>Total Operating Revenues</b>	<b>2,121,451</b>	<b>15,798</b>	<b>2,137,249</b>
Operating Expenses:			
Personal Services	1,826,088	0	1,826,088
Contactual Services	31,689	0	31,689
Materials and Supplies	1,269,084	11,072	1,280,156
Depreciation	31,020	0	31,020
<b>Total Operating Expenses</b>	<b>3,157,881</b>	<b>11,072</b>	<b>3,168,953</b>
Operating Income (Loss)	(1,036,430)	4,726	(1,031,704)
Non-Operating Revenues (Expenses):			
Earnings on Investments	3,740	0	3,740
Donated Commodities	228,604	0	228,604
Operating Grants	603,525	0	603,525
<b>Total Non-Operating Revenues (Expenses)</b>	<b>835,869</b>	<b>0</b>	<b>835,869</b>
Change in Net Assets	(200,561)	4,726	(195,835)
Net Assets Beginning of Year (restated)	275,377	4,313	279,690
<b>Net Assets End of Year</b>	<b>\$74,816</b>	<b>\$9,039</b>	<b>\$83,855</b>

See accompanying notes.

Northwest Local School District  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2003

	<u>Business-Type Activities -Enterprise Funds</u>		
	<u>Food Service</u>	<u>Customer Service</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash Received from Customers	\$2,121,519	\$15,798	\$2,137,317
Cash Payments to Employees	(1,724,205)	0	(1,724,205)
Cash Payments to Suppliers	<u>(1,117,549)</u>	<u>(12,920)</u>	<u>(1,130,469)</u>
Net Cash Provided (Used) by Operating Activities	<u>(720,235)</u>	<u>2,878</u>	<u>(717,357)</u>
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	<u>777,013</u>	<u>0</u>	<u>777,013</u>
Net Cash Provided by Noncapital Financing Activities	<u>777,013</u>	<u>0</u>	<u>777,013</u>
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	<u>(58,616)</u>	<u>0</u>	<u>(58,616)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(58,616)</u>	<u>0</u>	<u>(58,616)</u>
Cash Flows from Investing Activities:			
Earnings on Investments	<u>3,740</u>	<u>0</u>	<u>3,740</u>
Net Cash Provided by Cash Flows from Investing Activities	<u>3,740</u>	<u>0</u>	<u>3,740</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,902	2,878	4,780
Cash and Cash Equivalents Beginning of Year	<u>351,440</u>	<u>6,161</u>	<u>357,601</u>
Cash and Cash Equivalents End of Year	<u><u>\$353,342</u></u>	<u><u>\$9,039</u></u>	<u><u>\$362,381</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Loss	(\$1,036,430)	\$4,726	(\$1,031,704)
Adjustments:			
Depreciation	31,020	0	31,020
Donated Commodities	228,604	0	228,604
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	68	0	68
(Increase) Decrease in Inventory	(42,247)	0	(42,247)
Increase (Decrease) in Payables	(2,089)	(1,848)	(3,937)
Increase (Decrease) in Accrued Liabilities	101,883	0	101,883
Increase (Decrease) in Deferred Revenue	<u>(1,044)</u>	<u>0</u>	<u>(1,044)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$720,235)</u></u>	<u><u>\$2,878</u></u>	<u><u>(\$717,357)</u></u>
Schedule of Noncash Capital Activities:			
During the fiscal year, the Food Service Fund received contributed food commodities valued at	\$228,604		

See accompanying notes.

Northwest Local School District  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2003

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$180,018</u>
Total Assets	<u><u>\$180,018</u></u>
Liabilities:	
Due to student groups	<u>\$180,018</u>
Total Liabilities	<u><u>\$180,018</u></u>

See accompanying notes.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE A--DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

*DESCRIPTION OF THE DISTRICT*

The Northwest Local School District (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 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 District's tax dollars. The Board also approves the annual Appropriation Resolution and Tax Budget.

The District services an area of 54 square miles, including all of Colerain Township, and portions of Green and Springfield Townships. The District is 99 percent in Hamilton County, and a small area is in Butler County on its northern boundary line.

The District currently has 10,646 students enrolled in nine elementary schools, three middle schools, and two senior high schools. The District has two career centers serving junior and senior students. There are 732 certificated employees and 648 non-certificated employees to provide services to the students. The District is the largest local and the 17th largest of all school districts in Ohio.

The financial statements of the 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 District's significant accounting policies are described below.

*THE REPORTING ENTITY*

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds and account groups of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE A—DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY – (continued)

The following activities are included within the reporting entity:

Parochial/Private Schools - Within the District, St. Ann, St. Bernard, St. Ignatius, St. James, and St. John Elementaries, and LaSalle High School are operated through the Cincinnati Catholic Diocese; Beautiful Savior Lutheran and Fellowship Christian are operated as private schools. Current State legislation provides funding to these schools. The monies are received and disbursed on behalf of the schools by the District Treasurer, as directed by the District's administration. The activity of these State monies by the District are reflected in the Special Revenue Funds for financial reporting purposes.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. For business-type activities and proprietary funds, the District has elected not to follow subsequent private-sector guidance. The most significant of the District's accounting policies are described below.

*FUND ACCOUNTING*

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

***Governmental Funds***

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

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



**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

*Proprietary Fund*

Proprietary fund reporting focuses on the determination of operating income changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no internal service funds.

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

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

Customer Service Fund – This fund accounts for the purchase and resale of supplies used in connection with the District's career education program.

*Fiduciary Funds*

Fiduciary fund reporting focuses on net assets and changes in net assets. 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 therefore not available to support the District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary fund is an Agency Fund. The District's Agency Fund accounts for those student activities which consist of a student body, president, treasurer and a faculty advisor.

*MEASUREMENT FOCUS*

**Government-wide Financial Statements**

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include 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 fund types are accounted for on 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 net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the 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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note E.) 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the 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 Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to financial fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

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.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

*CASH AND CASH EQUIVALENTS*

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as “cash and cash equivalents with fiscal agent”. The account on the combined balance sheet “Cash with fiscal and escrow agents” represents deposits used to pay arbitrage liability.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the current fiscal year. STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for at year end.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to general operating funds during the current fiscal year amounted to \$355,779.

For presentation on the financial statements, 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 District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

For purposes of the statement of cash flows, the Enterprise Funds’ portion of pooled cash and investments is considered a cash equivalent because the District is able to withdraw resources from the enterprise funds without prior notice or penalty.

*INVENTORY*

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

*CAPITAL ASSETS*

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand five hundred dollars (\$2,500). The 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. Interest incurred during the construction of capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	30 - 50 years	N/A
Building Improvements	10 - 30 years	N/A
Furniture and Equipment	5 - 10 years	5 - 10 years
Vehicles	5 - 10 years	N/A

*COMPENSATED ABSENCES*

The 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 District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The entire amount of compensated absences is reported as a fund liability in Proprietary Funds.

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

<u>VACATION</u>	<u>CERTIFIED</u>	<u>ADMINISTRATORS</u>	<u>NON-CERTIFICATED</u>
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	50 days	50 days
Termination Entitlement	Not applicable	As earned	As earned

<u>SICK LEAVE</u>	<u>CERTIFIED</u>	<u>ADMINISTRATORS</u>	<u>NON-CERTIFICATED</u>
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	232 Days	262 days	232 to 272 days according to job classification
Vested	As earned	As earned	As earned
Termination Entitlement	Per contract	Per contract	Per contract

*NET ASSETS*

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

*OPERATING REVENUES AND EXPENSES*

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service and uniform school supplies. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

*CONTRIBUTIONS OF CAPITAL*

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

*INTERFUND ACTIVITY*

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

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. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

*BUDGETARY PROCESS*

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer is authorized to further allocate appropriations to the function and object level for all funds.

*Tax Budget*

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Hamilton County Budget Commission for rate determination.

*Estimated Resources*

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

*Appropriations*

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board at the fund level of expenditures,



**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board. The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from prior years.

The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. During the year, several supplementay appropriations were legally enacted; however, none of these amendments were significant. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriations and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations

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

**FUND EQUITY**

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, supplies inventory, prepayments, debt service, and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE C—RESTATEMENT OF NET ASSETS

For fiscal year 2003, the District has restated the beginning net assets of both Governmental Activities and Business-Type Activities due to the correction of the District's capital assets and the reclassification of a fund to a different fund type.

The restatement of the capital assets related to correction of the accumulated depreciation detail records. The fund type reclassification related to recognizing the Uniform School Supplies Fund, previously an enterprise fund, as a part of the General Fund since the fees charged for this activity are not specifically designed to recover its costs.

These restatements had the following effect on net assets as previously reported:

	<u>Entity-wide</u>		<u>Fund Level</u>	
	<u>Governmental</u>	<u>Business-Type</u>	<u>General</u>	<u>Enterprise</u>
	<u>Activities</u>	<u>Activities</u>		
Net Assets, June 30, 2002	\$20,874,058	\$619,504		\$619,504
Fund Balance, June 30, 2002			\$16,585,656	
Restatements:				
Capital Assets	530,417	9,613	0	9,613
Fund Reclassification	<u>349,427</u>	<u>(349,427)</u>	<u>349,427</u>	<u>(349,427)</u>
Restated Net Assets, July 1, 2002	<u>\$21,753,902</u>	<u>\$279,690</u>		<u>\$279,690</u>
Restated Fund Balance July 1, 2002			<u>\$16,935,083</u>	

NOTE D—CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and cash equivalents."

State statute requires the classification of monies held by the District into three categories:

*Active Monies* - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

*Inactive Monies* - Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE D—CASH AND CASH EQUIVALENTS – (continued)

certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

*Inactive Monies* – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

*Interim Monies* – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) Repurchase agreements in the securities enumerated above.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.

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

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE D—CASH AND CASH EQUIVALENTS – (continued)

*Deposits* – At the year end, the carrying amount of the District's deposits was \$6,290,841. The bank balance of deposits was \$6,504,771 of which \$350,416 was covered by federal depository insurance. The remaining balance of \$6,154,355 was covered by 105% public depository pool, which was collateralized with securities held by the pledging financial institution's trust department but not in the District's name.

*Investments* – The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end (GASB Statement 3):

- Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.
- Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name.
- Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its department or agent, but not in the District's name.

Based on the above criteria, the District's investments at year-end are classified as follows:

<u>Description</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount/ Fair Value</u>
Money Market*	\$0	\$0	\$0	\$4,693,700
Federal Agency Security	0	0	3,152,671	3,152,671
State Treasury Pool*	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,979,220</u>
Total Investments	<u>\$0</u>	<u>\$0</u>	<u>\$3,152,671</u>	<u>\$11,825,591</u>

\*The District's Investments in the Money Market and Ohio State Treasury Pool are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105 percent of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE D—CASH AND CASH EQUIVALENTS – (continued)

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105 percent of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

NOTE E—PROPERTY TAXES

Real property taxes collected in 2003 were levied in April on the assessed values as of January 1, 2002, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year. The most recent re-evaluation was completed in January, 1999.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). In 2003, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 2003, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The Hamilton County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at fiscal year end. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2003, was \$12,797,100 for General Fund and \$529,200 for Debt Service, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2003 operations. The amount available for advance at June 30, 2002 was \$9,477,000 for General Fund and \$421,400 for Debt Service, with a corresponding reserve to fund balance since the Board did not appropriate those receivables for fiscal year 2002 operations.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE F—RECEIVABLES

Receivables at June 30, 2003, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interest. 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 year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<b>Governmental Activities</b>	
General	\$14,116
Career Development	3,911
IDEA B Special Education	15,281
Vocational Education Perkins	23,572
Title III LEP	853
Title I	191,728
Title V Innovative Projects	14,651
Drug Free Schools	1,965
Title II-A	65,839
OCIS Awareness	<u>300</u>
 Total Governmental Activities	 <u>\$332,216</u>

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE G—CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Restated Balance <u>6/30/02</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/03</u>
<b>Governmental Activities</b>				
<i>Capital Assets, Not being Depreciated:</i>				
Land and Improvements	\$3,552,125	\$0	\$0	\$3,552,125
<i>Capital Assets Being Depreciated:</i>				
Buildings and Improvements	48,328,949	0	0	48,328,949
Furniture and Equipment	4,545,564	126,957	56,835	4,615,686
Vehicles	<u>4,984,122</u>	<u>452,639</u>	<u>249,998</u>	<u>5,186,763</u>
Total Historical Cost	<u>\$61,410,760</u>	<u>\$579,596</u>	<u>\$306,833</u>	<u>\$61,683,523</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$25,768,052	\$895,888	\$0	\$26,663,940
Furniture and Equipment	3,689,761	234,662	56,835	3,867,588
Vehicles	<u>3,164,473</u>	<u>357,313</u>	<u>249,998</u>	<u>3,271,788</u>
Total Accumulated Depreciation	<u>\$32,622,286</u>	<u>\$1,487,863</u>	<u>\$306,833</u>	<u>\$33,803,316</u>
Governmental Activities Capital Assets, Net	<u>\$28,788,474</u>	<u>(\$908,267)</u>	<u>\$0</u>	<u>\$27,880,207</u>
<b>Business-Type Activities</b>				
Furniture and Equipment	\$963,129	\$58,616	\$0	\$1,021,745
Vehicles	<u>54,343</u>	<u>0</u>	<u>0</u>	<u>54,343</u>
Total Historical Cost	<u>\$1,017,472</u>	<u>\$58,616</u>	<u>\$0</u>	<u>\$1,076,088</u>
Less Accumulated Depreciation:				
Furniture and Equipment	\$914,678	\$31,020	\$0	\$945,698
Vehicles	<u>54,343</u>	<u>0</u>	<u>0</u>	<u>54,343</u>
Total at Historical Cost	<u>\$969,021</u>	<u>\$31,020</u>	<u>\$0</u>	<u>\$1,000,041</u>
Business-Type Activities Capital Assets, Net	<u>\$48,451</u>	<u>\$27,596</u>	<u>\$0</u>	<u>\$76,047</u>

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE G—CAPITAL ASSETS – (continued)

\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$850,929
Special	54,873
Vocational	113,983
Support Services:	
Pupil	4,873
Instructional Staff	1,214
Administration	30,768
Fiscal	4,079
Business	569
Operations and Maintenance	72,737
Pupil Transportation	307,927
Central	31,805
Community Services	10,082
Extracurricular Activities	<u>4,025</u>
Total Depreciation Expense	<u>\$1,487,864</u>

NOTE H—LEGAL DEBT MARGIN

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed nine percent (9%) of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1 percent of the property valuation of the District.

The effects of these debt limitations at June 30, 2003, are a voted debt margin of \$133,366,152 and an unvoted debt margin of \$1,481,846.

On March 1, 1998 the District issued \$25,000,000 in bonds for the construction of an elementary school and various other buildings and equipment improvements throughout the District.

The bond issue is a general obligation of the District for which the full faith and credit of the District is pledged for repayment. Payment of principal and interest relating to this liability is recorded as an expenditure in the Debt Service Fund.



**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE I—LONG-TERM LIABILITIES

The change in the District's long-term obligations during the year consist of the following:

	<u>Balance</u> <u>June 30, 2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2003</u>	<u>Due in</u> <u>One Year</u>
<b>Government Activities</b>					
General Obligation Bonds:					
1998 School Improvement	\$23,790,000	\$0	\$450,000	\$23,340,000	\$495,000
Compensated Absences	<u>4,514,458</u>	<u>0</u>	<u>459,295</u>	<u>4,055,163</u>	<u>726,848</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$28,304,458</u>	<u>0</u>	<u>\$909,295</u>	<u>\$27,395,163</u>	<u>\$1,221,848</u>
<b>Business-Type Activities</b>					
Compensated Absences	<u>\$94,171</u>	<u>\$23,084</u>	<u>\$0</u>	<u>\$117,255</u>	<u>\$4,707</u>

On March 1, 1998, the District issued \$25,000,000, 3.7%-6.0% 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. Compensated absences will be paid from the General Fund for governmental activities and from the Food Service Fund for business-type activities.

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

*BONDED DEBT*

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Bond</u> <u>Principal</u>	<u>Bond</u> <u>Interest</u>	<u>Total</u>
2004	\$495,000	\$1,192,058	\$1,687,058
2005	540,000	1,169,645	1,709,645
2006	590,000	1,144,745	1,734,745
2007	640,000	1,117,275	1,757,275
2008	695,000	1,087,098	1,782,098
2009-2013	4,470,000	4,795,895	9,265,895
2014-2018	6,595,000	3,307,694	9,902,694
2019-2023	<u>9,315,000</u>	<u>1,266,190</u>	<u>10,581,190</u>
TOTAL	<u>\$23,340,000</u>	<u>\$15,080,600</u>	<u>\$38,420,600</u>

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE J—DEFINED BENEFIT PENSION PLANS

*SCHOOL EMPLOYEES RETIREMENT SYSTEM*

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute nine percent (9%) of their annual covered salary and the District is required to contribute fourteen percent (14%); five and two-tenths percent (5.2%) was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,677,216, \$1,565,394 and \$1,471,872 respectively; forty-seven and four-tenths percent (47.4%) has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$884,109 represents the unpaid contribution for fiscal year 2003.

*STATE TEACHERS RETIREMENT SYSTEM*

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal year ended June 30, 2003, 2002, and 2001 were \$5,539,002, \$5,181,944 and \$4,985,781, respectively, 85.5% percent has been contributed for fiscal year 2003, and 100 percent for the fiscal years 2002 and 2001. \$135,810 represents the unpaid contribution for fiscal year 2003.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE K—POST EMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$1,780,394 during the 2003 fiscal year. As of July 1, 2003, eligible benefit recipients totaled 105,300. For the fiscal year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000.

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

For 2003 fiscal year, employer contributions to fund health care benefits were 8.54 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$12,400. The surcharge rate added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund. For the District, this amount equaled \$1,174,051 during the 2003 fiscal year. The number of participants currently receiving health care benefits is 50,000. For the fiscal year ended June 30, 2002, net health care costs paid by SERS were \$182,946,777.

NOTE L—CONTINGENT LIABILITIES

*GRANTS*

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of fiscal year end.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE L—CONTINGENT LIABILITIES – (continued)

*LITIGATION*

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

NOTE M—RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2003, the District contracted with Cincinnati Insurance Company for property and general liability insurance and boiler and machinery insurance.

Boiler and machinery coverage has a \$2,500 deductible with a \$9,000,000 single limit. Professional liability is protected by Harcum Hyre Insurance Company with \$1,000,000 each occurrence, \$3,000,000 aggregate limit.

Vehicles are covered by Harcum Hyre Insurance Company with no deductible for comprehensive and \$1,000 deductible for collision.

Public officials bond insurance is provided by Cincinnati Insurance Company. The Treasurer, Superintendent, Business Director, and Board President are covered by bonds in the amount of \$20,000.

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

The District provides life insurance and accidental death and dismemberment insurance to most employees through CIGNA Life.

The District has elected to provide employee medical/surgical benefits through Anthem, 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.

The District provides dental insurance to all employees through CoreSource, Inc.

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three years.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE N—STATE SCHOOL FUNDING DECISION

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

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

NOTE O—BUDGETARY BASIS OF ACCOUNTING

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

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

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

Net Change in Fund Balance Major Governmental Fund	
	General
GAAP Basis	\$3,702,199
Revenue Accruals	(4,128,849)
Expenditure Accruals	314,560
Encumbrances	<u>(600,217)</u>
Budgetary Basis	<u><u>\$(712,307)</u></u>

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE P—COMPLIANCE AND ACCOUNTABILITY

The following funds had an excess of appropriations over estimated revenues plus beginning balance for the fiscal year ended June 30, 2003:

<u>Fund</u>	<u>Excess</u>
<i>Final Budget</i>	
Special Revenue:	
Career Development	\$3,913
Vocational Education Perkins	35,005

The following funds had expenditures plus encumbrances which exceeded actual revenues plus beginning balance for the fiscal year ended June 30, 2003.

<u>Fund</u>	<u>Excess</u>
Special Revenue:	
Career Development	\$3,913
Vocational Education Perkins	23,574

NOTE Q—FUND BALANCE RESERVES FOR SET-ASIDES

The District is required by the state to spend a certain percentage of the District's budget for textbooks and capital improvements. A schedule for fiscal year ending June 30, 2003, is as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside carried forward from June 30, 2002	\$(1,066,434)	\$0
Current Year Set-aside Requirement	1,455,179	1,455,179
Qualifying Disbursements	<u>(1,857,798)</u>	<u>(3,155,886)</u>
Total	<u>(1,469,053)</u>	<u>(1,700,707)</u>
Set-aside carried forward to FY2004	<u>(\$1,469,053)</u>	<u>\$0</u>

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (concluded)**  
**For the Fiscal Year Ended June 30, 2003**

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NOTE Q—FUND BALANCE RESERVES FOR SET-ASIDES – (continued)

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

NOTE R—INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2003, consisted of the following individual fund receivables and payables:

Interfund Receivables/Payables:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$3,911	
Special Revenue Fund: Career Development		\$3,911

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.”

NOTE S—FUND BALANCE DEFICITS

Fund balances at June 30, 2003 include the following individual fund deficits:

Special Revenue Funds:	
Career Development	\$3,911
Title I	71,312

The deficits in the Special Revenue Funds resulted due to delays in cash being receipted to the District from the Ohio State Department of Education.

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**COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

*COMBINING STATEMENTS – NONMAJOR FUNDS*

*NONMAJOR SPECIAL REVENUE FUNDS*

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes. The following are descriptions of each material Special Revenue Fund:

**UNDERGROUND STORAGE TANK FUND:**

To account for local funds which are provided in the event of an underground storage tank leak.

**ATHLETIC FUND:**

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

**AUXILIARY SERVICES FUND:**

To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

**CONSUMER ECONOMICS FUND:**

To account for state funds received and expended in conjunction with Consumer Education projects funded by State Consumer Education Units.

**CAREER DEVELOPMENT FUND:**

To account for state funds which are provided to introduce various career opportunities to students as required by the minimum standards for Ohio schools.

**EXCELLENCE IN EDUCATION FUND:**

To account for state funds received to promote family and community involvement in the educational program.

NORTHWEST LOCAL SCHOOL DISTRICT

*NONMAJOR SPECIAL REVENUE FUNDS (continued)*

**EDUCATION MANAGEMENT INFORMATION SYSTEM FUND:**

To account for state funds which are provided to assist the District in implementing a staff, student, and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

**PUBLIC PRESCHOOL FUND:**

To account for assistance from the State in paying the cost of a preschool program for three and four year old students.

**DISADVANTAGED PUPIL IMPACT AID FUND:**

To account for state funds which provide instructional programs and materials for disadvantaged students.

**OHIO SCHOOLNET PROFESSIONAL DEVELOPMENT FUND:**

To account for state funds received to provide assistance to the District for the development of technology in-service programs.

**OHIOREADS FUND:**

To account for state funds received to improve literacy for kindergarten through fourth grades.

**SAFE SCHOOL HELP LINE FUND:**

To account for state funds received for students and parents to report threats to the safety of students or school personnel.

**SCHOOLS-THAT-WORK FUND:**

To account for state funds used to provide programs that are innovative and creative in reconstructing a curriculum program.

**ENTRY YEAR TEACHERS GRANT FUND:**

To account for state funds used to provide an entry year program for beginning teachers that hold two-year provisional licenses and are teaching in their licensed field.

**NORTHWEST LOCAL SCHOOL DISTRICT**

***NONMAJOR SPECIAL REVENUE FUNDS (continued)***

**TITLE II EISENHOWER FUND:**

To account for federal funds used in the training of teachers in new techniques and methodologies in the area of mathematics and science.

**IDEA B SPECIAL EDUCATION FUND:**

To account for 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 specialists in providing educational services to the handicapped.

**VOCATIONAL EDUCATION PERKINS FUND:**

To account for federal funds for the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees, and work-study projects.

**TITLE III LEP FUND:**

To account for federal funds to provide language instruction for limited English proficient and migrant students.

**TITLE I FUND:**

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

**TITLE V INNOVATIVE PROJECTS FUND:**

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

**DRUG FREE SCHOOLS FUND:**

To account for federal funds for the establishment, operation and improvement of programs for drug abuse prevention, rehabilitation referral and education in schools.

**NORTHWEST LOCAL SCHOOL DISTRICT**

***NONMAJOR SPECIAL REVENUE FUNDS (continued)***

**TITLE II-A FUND:**

To account for federal funds received to assist in the cost of personnel hired to reduce class size in kindergarten through third grade.

**ASSISTIVE TECHNOLOGY FUND:**

To account for federal funds to provide assistive technology devices that support access to general education for students with disabilities.

**READING EXCELLENCE AWARD FUND:**

To account for federal funds received to provide local literacy initiatives.

**OCIS AWARENESS FUND:**

To account for federal funds to support programs K-12 learn more about educational and career options.

**TECHNOLOGY II-D FUND:**

To account for federal funds to enhance education through technology.

***NONMAJOR DEBT SERVICE FUND***

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and payment of general obligation notes payable, as required by Ohio law.

***NONMAJOR CAPITAL PROJECTS FUNDS***

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing buildings, or for major renovation projects, including equipment purchases.

**NORTHWEST LOCAL SCHOOL DISTRICT**

***NONMAJOR CAPITAL PROJECTS FUNDS (continued)***

**PERMANENT IMPROVEMENT FUND:**

To account for all transactions related to the acquisition, construction or improvement of the infrastructure of buildings and grounds through permanent improvements.

**OHIO SCHOOLNET FUND:**

To account for programs designed to help school districts obtain computers, related technology equipment and/or the necessary infrastructure for educational technology.

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$676,895	\$1,207,995	\$863,550	\$2,748,440
<b>Receivables:</b>				
Taxes	0	1,374,279	0	1,374,279
Intergovernmental	318,100	0	0	318,100
<b>Total Assets</b>	<b>\$994,995</b>	<b>\$2,582,274</b>	<b>\$863,550</b>	<b>\$4,440,819</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$3,111	\$0	\$0	\$3,111
Accrued Wages and Benefits	234,603	0	0	234,603
Compensated Absences	2,256	0	0	2,256
Interfund Payable	3,911	0	0	3,911
Deferred Revenue	318,100	845,079	0	1,163,179
<b>Total Liabilities</b>	<b>561,981</b>	<b>845,079</b>	<b>0</b>	<b>1,407,060</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	233,803	0	0	233,803
Reserved for Property Tax Advances	0	529,200	0	529,200
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	199,211	0	0	199,211
Debt Service Funds	0	1,207,995	0	1,207,995
Capital Projects Funds	0	0	863,550	863,550
<b>Total Fund Balances</b>	<b>433,014</b>	<b>1,737,195</b>	<b>863,550</b>	<b>3,033,759</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$994,995</b>	<b>\$2,582,274</b>	<b>\$863,550</b>	<b>\$4,440,819</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, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$1,608,343	\$0	\$1,608,343
Earnings on Investments	6,000	0	0	6,000
Intergovernmental	5,384,012	181,845	457,419	6,023,276
Extracurricular Activities	511,575	0	0	511,575
<b>Total Revenues</b>	<b>5,901,587</b>	<b>1,790,188</b>	<b>457,419</b>	<b>8,149,194</b>
Expenditures:				
Current:				
Instruction:				
Regular	404,998	0	163,674	568,672
Special	1,104,997	0	0	1,104,997
Vocational	34,404	0	0	34,404
Support Services:				
Pupil	425,633	0	0	425,633
Instructional Staff	912,654	0	11,181	923,835
School Administration	223,474	0	0	223,474
Fiscal	12,000	19,742	0	31,742
Operations and Maintenance	0	0	77,308	77,308
Pupil Transportation	7,000	0	0	7,000
Central	42,714	0	0	42,714
Community Services	2,595,238	0	0	2,595,238
Extracurricular Activities	501,069	0	0	501,069
Debt Service:				
Principal Retirement	0	450,000	0	450,000
Interest and Fiscal Charges	0	1,212,152	0	1,212,152
<b>Total Expenditures</b>	<b>6,264,181</b>	<b>1,681,894</b>	<b>252,163</b>	<b>8,198,238</b>
Net Change in Fund Balances	(362,594)	108,294	205,256	(49,044)
Fund Balances Beginning of Year	795,608	1,628,901	658,294	3,082,803
Fund Balances End of Year	\$433,014	\$1,737,195	\$863,550	\$3,033,759



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Northwest Local School District  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2003

	Underground Storage Tank	Athletic	Auxiliary Services	Consumer Economics
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$11,000	\$171,091	\$203,672	\$0
<b>Receivables:</b>				
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<b>\$11,000</b>	<b>\$171,091</b>	<b>\$203,672</b>	<b>\$0</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$1,137	\$1,707	\$0
Accrued Wages and Benefits	0	0	5,246	0
Compensated Absences	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>1,137</b>	<b>6,953</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	0	182,938	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	11,000	169,954	13,781	0
<b>Total Fund Balances</b>	<b>11,000</b>	<b>169,954</b>	<b>196,719</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$11,000</b>	<b>\$171,091</b>	<b>\$203,672</b>	<b>\$0</b>

<u>Career Development</u>	<u>Excellence in Education</u>	<u>Education Management Information System</u>	<u>Public Preschool</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Ohio SchoolNet Professional Development</u>
\$0	\$0	\$39,208	\$8,229	\$0	\$5,858
<u>3,911</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$3,911</u>	<u>\$0</u>	<u>\$39,208</u>	<u>\$8,229</u>	<u>\$0</u>	<u>\$5,858</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	3,170	0	0
0	0	0	0	0	0
3,911	0	0	0	0	0
<u>3,911</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>7,822</u>	<u>0</u>	<u>0</u>	<u>3,170</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
<u>(3,911)</u>	<u>0</u>	<u>39,208</u>	<u>5,059</u>	<u>0</u>	<u>5,858</u>
<u>(3,911)</u>	<u>0</u>	<u>39,208</u>	<u>5,059</u>	<u>0</u>	<u>5,858</u>
<u>\$3,911</u>	<u>\$0</u>	<u>\$39,208</u>	<u>\$8,229</u>	<u>\$0</u>	<u>\$5,858</u>

continued

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (continued)  
June 30, 2003

	OhioReads	Safe School Help Line	Schools- that-Work	Entry Year Teachers Grant
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$10	\$0	\$1,400	\$0
<b>Receivables:</b>				
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<b>\$10</b>	<b>\$0</b>	<b>\$1,400</b>	<b>\$0</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Compensated Absences	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	0	1,400	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	10	0	0	0
<b>Total Fund Balances</b>	<b>10</b>	<b>0</b>	<b>1,400</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$10</b>	<b>\$0</b>	<b>\$1,400</b>	<b>\$0</b>

Title II Eisenhower	IDEA B Special Education	Vocational Education Perkins	Title III LEP	Title I	Title V Innovative Projects
\$3,632	\$121,239	\$17,791	\$7,727	\$28,138	\$13,904
0	15,281	23,572	853	191,728	14,651
<u>\$3,632</u>	<u>\$136,520</u>	<u>\$41,363</u>	<u>\$8,580</u>	<u>\$219,866</u>	<u>\$28,555</u>
\$0	\$0	\$0	\$0	\$0	\$157
0	100,838	2,944	0	98,103	0
0	909	0	0	1,347	0
0	0	0	0	0	0
0	15,281	23,572	853	191,728	14,651
0	117,028	26,516	853	291,178	14,808
0	39	41,363	1,524	220	1,162
3,632	19,453	(26,516)	6,203	(71,532)	12,585
3,632	19,492	14,847	7,727	(71,312)	13,747
<u>\$3,632</u>	<u>\$136,520</u>	<u>\$41,363</u>	<u>\$8,580</u>	<u>\$219,866</u>	<u>\$28,555</u>

continued

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (concluded)  
June 30, 2003

	Drug Free Schools	Title II-A	Assistive Technology	Reading Excellence Award
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$4,112	\$32,926	\$5,314	\$0
<b>Receivables:</b>				
Intergovernmental	1,965	65,839	0	0
<b>Total Assets</b>	<b>\$6,077</b>	<b>\$98,765</b>	<b>\$5,314</b>	<b>\$0</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$110	\$0	\$0	\$0
Accrued Wages and Benefits	0	24,302	0	0
Compensated Absences	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	1,965	65,839	0	0
<b>Total Liabilities</b>	<b>2,075</b>	<b>90,141</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	4,900	257	0
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	4,002	3,724	5,057	0
<b>Total Fund Balances</b>	<b>4,002</b>	<b>8,624</b>	<b>5,314</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$6,077</b>	<b>\$98,765</b>	<b>\$5,314</b>	<b>\$0</b>

<u>OCIS Awareness</u>	<u>Technology II-D</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,392	\$252	\$676,895
<u>300</u>	<u>0</u>	<u>318,100</u>
<u>\$1,692</u>	<u>\$252</u>	<u>\$994,995</u>
\$0	\$0	\$3,111
0	0	234,603
0	0	2,256
0	0	3,911
<u>300</u>	<u>0</u>	<u>318,100</u>
<u>300</u>	<u>0</u>	<u>561,981</u>
0	0	233,803
<u>1,392</u>	<u>252</u>	<u>199,211</u>
<u>1,392</u>	<u>252</u>	<u>433,014</u>
<u>\$1,692</u>	<u>\$252</u>	<u>\$994,995</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, 2003

	Underground Storage Tank	Athletic	Auxiliary Services	Consumer Economics
Revenues:				
Earnings on Investments	\$0	\$0	\$6,000	\$0
Intergovernmental	0	0	2,187,088	0
Extracurricular Activities	0	511,575	0	0
<b>Total Revenues</b>	<b>0</b>	<b>511,575</b>	<b>2,193,088</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	45
Instructional Staff	0	0	0	0
School Administration	0	0	0	0
Fiscal	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community Services	0	0	2,371,309	0
Extracurricular Activities	0	501,069	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>501,069</b>	<b>2,371,309</b>	<b>45</b>
Net Change in Fund Balances	0	10,506	(178,221)	(45)
Fund Balances Beginning of Year	11,000	159,448	374,940	45
<b>Fund Balances End of Year</b>	<b>\$11,000</b>	<b>\$169,954</b>	<b>\$196,719</b>	<b>\$0</b>



Career Development	Excellence in Education	Education Management Information System	Public Preschool	Disadvantaged Pupil Impact Aid	Ohio SchoolNet Professional Development
\$0	\$0	\$0	\$0	\$0	\$0
22,164	0	38,933	147,824	87,500	10,892
0	0	0	0	0	0
22,164	0	38,933	147,824	87,500	10,892
0	0	0	110,814	0	0
0	0	0	0	87,500	0
0	0	0	0	0	0
0	0	0	23,130	0	0
31,924	0	0	42,200	0	8,461
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	14,550	0	0	0
0	3,232	0	0	0	0
0	0	0	0	0	0
31,924	3,232	14,550	176,144	87,500	8,461
(9,760)	(3,232)	24,383	(28,320)	0	2,431
5,849	3,232	14,825	33,379	0	3,427
(\$3,911)	\$0	\$39,208	\$5,059	\$0	\$5,858

continued

Northwest Local School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds (continued)  
For the Fiscal Year Ended June 30, 2003

	OhioReads	Safe School Help Line	Schools- that-Work	Entry Year Teachers Grant
Revenues:				
Earnings on Investments	\$0	\$0	\$0	\$0
Intergovernmental	234,675	9,067	57,500	28,000
Extracurricular Activities	0	0	0	0
<b>Total Revenues</b>	<b>234,675</b>	<b>9,067</b>	<b>57,500</b>	<b>28,000</b>
Expenditures:				
Current:				
Instruction:				
Regular	137,207	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	9,067	73,156	0
Instructional Staff	126,245	0	0	28,000
School Administration	0	0	0	0
Fiscal	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community Services	450	0	0	0
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>263,902</b>	<b>9,067</b>	<b>73,156</b>	<b>28,000</b>
Net Change in Fund Balances	(29,227)	0	(15,656)	0
Fund Balances Beginning of Year	29,237	0	17,056	0
<b>Fund Balances End of Year</b>	<b>\$10</b>	<b>\$0</b>	<b>\$1,400</b>	<b>\$0</b>

<u>Title II Eisenhower</u>	<u>IDEA B Special Education</u>	<u>Vocational Education Perkins</u>	<u>Title III LEP</u>	<u>Title I</u>	<u>Title V Innovative Projects</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	1,123,719	179,834	12,023	797,510	112,842
0	0	0	0	0	0
0	1,123,719	179,834	12,023	797,510	112,842
0	0	0	0	0	0
0	273,740	0	3,173	643,956	29,746
0	0	34,404	0	0	0
0	203,714	72,268	0	0	0
4,577	352,574	30,719	1,123	152,811	49,652
0	161,191	2,579	0	59,704	0
0	0	0	0	12,000	0
0	0	0	0	7,000	0
0	0	28,164	0	0	0
604	149,412	0	0	19,218	43,039
0	0	0	0	0	0
5,181	1,140,631	168,134	4,296	894,689	122,437
(5,181)	(16,912)	11,700	7,727	(97,179)	(9,595)
8,813	36,404	3,147	0	25,867	23,342
<u>\$3,632</u>	<u>\$19,492</u>	<u>\$14,847</u>	<u>\$7,727</u>	<u>(\$71,312)</u>	<u>\$13,747</u>

continued

Northwest Local School District  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds (concluded)  
 For the Fiscal Year Ended June 30, 2003

	Drug Free Schools	Title II-A	Assistive Technology	Reading Excellence Award
Revenues:				
Earnings on Investments	\$0	\$0	\$0	\$0
Intergovernmental	36,842	222,876	48,860	0
Extracurricular Activities	0	0	0	0
<b>Total Revenues</b>	<b>36,842</b>	<b>222,876</b>	<b>48,860</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Regular	0	156,977	0	0
Special	0	0	37,925	28,957
Vocational	0	0	0	0
Support Services:				
Pupil	44,253	0	0	0
Instructional Staff	0	51,336	0	8,813
School Administration	0	0	0	0
Fiscal	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community Services	6,134	1,368	0	472
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>50,387</b>	<b>209,681</b>	<b>37,925</b>	<b>38,242</b>
<b>Net Change in Fund Balances</b>	<b>(13,545)</b>	<b>13,195</b>	<b>10,935</b>	<b>(38,242)</b>
<b>Fund Balances Beginning of Year</b>	<b>17,547</b>	<b>(4,571)</b>	<b>(5,621)</b>	<b>38,242</b>
<b>Fund Balances End of Year</b>	<b>\$4,002</b>	<b>\$8,624</b>	<b>\$5,314</b>	<b>\$0</b>

<u>OCIS Awareness</u>	<u>Technology II-D</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$6,000
1,700	24,163	5,384,012
0	0	511,575
<u>1,700</u>	<u>24,163</u>	<u>5,901,587</u>
0	0	404,998
0	0	1,104,997
0	0	34,404
0	0	425,633
308	23,911	912,654
0	0	223,474
0	0	12,000
0	0	7,000
0	0	42,714
0	0	2,595,238
0	0	501,069
<u>308</u>	<u>23,911</u>	<u>6,264,181</u>
1,392	252	(362,594)
0	0	795,608
<u>\$1,392</u>	<u>\$252</u>	<u>\$433,014</u>

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Debt Service Fund  
June 30, 2003

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	<u>Debt Service</u>
Assets:	
Equity in Pooled Cash and Investments	\$1,207,995
Receivables:	
Taxes	<u>1,374,279</u>
Total Assets	<u><u>\$2,582,274</u></u>
Liabilities and Fund Balances:	
Liabilities:	
Deferred Revenue	<u>\$845,079</u>
Total Liabilities	<u>845,079</u>
Fund Balances:	
Reserved for Property Tax Advances	529,200
Unreserved, Undesignated, Reported in: Debt Service Funds	<u>1,207,995</u>
Total Fund Balance	<u>1,737,195</u>
Total Liabilities and Fund Balances	<u><u>\$2,582,274</u></u>

Northwest Local School District  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Nonmajor Debt Service Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Debt Service</u>
Revenues:	
Taxes	\$1,608,343
Intergovernmental	<u>181,845</u>
Total Revenues	<u>1,790,188</u>
Expenditures:	
Current:	
Support Services:	
Fiscal	19,742
Debt Service:	
Principal Retirement	450,000
Interest and Fiscal Charges	<u>1,212,152</u>
Total Expenditures	<u>1,681,894</u>
Excess of Revenues Over (Under) Expenditures	<u>108,294</u>
Net Change in Fund Balance	108,294
Fund Balance Beginning of Year (restated)	<u>1,628,901</u>
Fund Balance End of Year	<u><u>\$1,737,195</u></u>

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2003

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$831,153	\$32,397	\$863,550
<b>Total Assets</b>	<b>\$831,153</b>	<b>\$32,397</b>	<b>\$863,550</b>
Liabilities and Fund Balances:			
Liabilities:			
Total Liabilities	\$0	\$0	\$0
Fund Balances:			
Unreserved, Undesignated, Reported in:			
Capital Projects Funds	831,153	32,397	863,550
<b>Total Fund Balances</b>	<b>831,153</b>	<b>32,397</b>	<b>863,550</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$831,153</b>	<b>\$32,397</b>	<b>\$863,550</b>



Northwest Local School District  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Fiscal Year Ended June 30, 2003

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental	\$247,439	\$209,980	\$457,419
Total Revenues	247,439	209,980	457,419
Expenditures:			
Current:			
Instruction:			
Regular	0	163,674	163,674
Support Services:			
Instructional Staff	0	11,181	11,181
Operations and Maintenance	0	77,308	77,308
Total Expenditures	0	252,163	252,163
Net Change in Fund Balances	247,439	(42,183)	205,256
Fund Balances Beginning of Year	583,714	74,580	658,294
Fund Balances End of Year	\$831,153	\$32,397	\$863,550

Northwest Local School District  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2003

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Restricted Cash and Investments	\$158,067	\$22,750	\$799	\$180,018
<b>Total Assets</b>	<b>\$158,067</b>	<b>\$22,750</b>	<b>\$799</b>	<b>\$180,018</b>
<b>Liabilities:</b>				
Accounts Payable	\$799	\$0	\$799	\$0
Due to student groups	157,268	22,750	0	180,018
<b>Total Liabilities</b>	<b>\$158,067</b>	<b>\$22,750</b>	<b>\$799</b>	<b>\$180,018</b>

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL**

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$36,936,700	\$36,936,700	\$37,345,666	\$408,966
Revenue in Lieu of Taxes	840,000	840,000	1,136,800	296,800
Tuition and Fees	965,000	965,000	877,881	(87,119)
Interest	600,000	600,000	359,868	(240,132)
Intergovernmental	31,119,870	31,119,870	31,928,593	808,723
Other Revenues	550,000	550,000	826,796	276,796
<b>Total Revenues</b>	<b>71,011,570</b>	<b>71,011,570</b>	<b>72,475,604</b>	<b>1,464,034</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<u>Regular</u>				
Salaries and Wages	26,874,000	26,361,095	25,969,962	391,133
Fringe Benefits	6,659,640	6,686,640	6,313,956	372,684
Purchased Services	808,400	830,400	790,585	39,815
Materials and Supplies	1,329,525	1,358,525	1,031,058	327,467
Capital Outlay	56,500	56,500	42,499	14,001
Capital Outlay - Replacement	122,350	122,350	76,411	45,939
<b>Total Regular</b>	<b>35,850,415</b>	<b>35,415,510</b>	<b>34,224,471</b>	<b>1,191,039</b>
<u>Special</u>				
Salaries and Wages	4,795,500	4,795,500	4,672,763	122,737
Fringe Benefits	1,239,540	1,239,540	1,117,952	121,588
Purchased Services	930,000	1,030,000	976,367	53,633
<b>Total Special</b>	<b>6,965,040</b>	<b>7,065,040</b>	<b>6,767,082</b>	<b>297,958</b>
<u>Vocational</u>				
Salaries and Wages	1,442,500	1,442,500	1,390,559	51,941
Fringe Benefits	353,700	353,700	344,106	9,594
Purchased Services	29,300	29,300	27,924	1,376
Materials and Supplies	219,000	219,000	206,203	12,797
Capital Outlay	72,000	72,000	681	71,319
Capital Outlay - Replacement	84,700	84,700	35,131	49,569
<b>Total Vocational</b>	<b>\$2,201,200</b>	<b>\$2,201,200</b>	<b>\$2,004,604</b>	<b>\$196,596</b>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund (continued)  
For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Support Services:</b>				
<u>Pupil</u>				
Salaries and Wages	\$1,866,700	\$2,041,700	\$1,836,931	\$204,769
Fringe Benefits	483,260	498,260	457,553	40,707
Purchased Services	1,450,480	1,567,480	1,342,337	225,143
Materials and Supplies	127,950	129,450	85,262	44,188
Other Expenditures	46,000	46,000	19,630	26,370
<b>Total Pupil</b>	<b>3,974,390</b>	<b>4,282,890</b>	<b>3,741,713</b>	<b>541,177</b>
<u>Instructional Staff</u>				
Salaries and Wages	3,069,350	3,059,350	2,817,352	241,998
Fringe Benefits	986,505	986,505	843,805	142,700
Purchased Services	235,550	245,550	132,266	113,284
Materials and Supplies	96,125	95,425	90,274	5,151
Capital Outlay	3,020	3,020	3,014	6
Capital Outlay - Replacement	2,800	2,800	995	1,805
Other Expenditures	4,200	5,000	4,969	31
<b>Total Instructional Staff</b>	<b>4,397,550</b>	<b>4,397,650</b>	<b>3,892,675</b>	<b>504,975</b>
<u>General Administration</u>				
Salaries and Wages	9,600	9,600	9,600	0
Fringe Benefits	1,560	1,560	1,518	42
Purchased Services	7,000	7,500	7,118	382
Other Expenditures	209,000	209,000	98,759	110,241
<b>Total General Administration</b>	<b>227,160</b>	<b>227,660</b>	<b>116,995</b>	<b>110,665</b>
<u>School Administration</u>				
Salaries and Wages	3,666,600	3,666,600	3,593,134	73,466
Fringe Benefits	994,860	994,860	924,333	70,527
Purchased Services	162,338	162,838	146,543	16,295
Materials and Supplies	48,230	48,230	44,417	3,813
Capital Outlay	14,650	14,650	13,200	1,450
Capital Outlay - Replacement	1,000	1,000	930	70
Other Expenditures	236,500	236,500	209,279	27,221
<b>Total School Administration</b>	<b>\$5,124,178</b>	<b>\$5,124,678</b>	<b>\$4,931,836</b>	<b>\$192,842</b>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 General Fund (continued)  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Fiscal</u>				
Salaries and Wages	\$545,000	\$550,000	\$549,841	\$159
Fringe Benefits	159,325	159,325	155,855	3,470
Purchased Services	27,500	28,700	27,907	793
Materials and Supplies	15,000	15,000	14,839	161
Capital Outlay	6,000	6,000	0	6,000
Other Expenditures	630,000	630,000	556,698	73,302
<b>Total Fiscal</b>	<b>1,382,825</b>	<b>1,389,025</b>	<b>1,305,140</b>	<b>83,885</b>
<u>Business</u>				
Salaries and Wages	253,550	263,550	261,440	2,110
Fringe Benefits	49,085	49,085	44,912	4,173
Purchased Services	332,500	332,500	307,170	25,330
Materials and Supplies	21,000	26,000	21,109	4,891
Capital Outlay - Replacement	2,350	2,350	2,339	11
<b>Total Business</b>	<b>658,485</b>	<b>673,485</b>	<b>636,970</b>	<b>36,515</b>
<u>Operations and Maintenance</u>				
Salaries and Wages	2,555,000	2,575,000	2,573,264	1,736
Fringe Benefits	805,205	805,205	753,556	51,649
Purchased Services	4,826,796	4,826,797	4,726,618	100,179
Materials and Supplies	445,150	445,150	422,602	22,548
Capital Outlay - Replacement	72,000	59,700	35,138	24,562
<b>Total Operations and Maintenance</b>	<b>8,704,151</b>	<b>8,711,852</b>	<b>8,511,178</b>	<b>200,674</b>
<u>Pupil Transportation</u>				
Salaries and Wages	2,340,000	2,370,000	2,368,420	1,580
Fringe Benefits	635,635	635,635	616,205	19,430
Purchased Services	317,300	366,200	361,511	4,689
Materials and Supplies	365,500	407,900	403,277	4,623
Capital Outlay - Replacement	599,688	589,188	588,859	329
<b>Total Pupil Transportation</b>	<b>4,258,123</b>	<b>4,368,923</b>	<b>4,338,272</b>	<b>30,651</b>
<u>Central</u>				
Salaries and Wages	805,500	805,500	799,904	5,596
Fringe Benefits	226,740	226,740	210,379	16,361
Purchased Services	181,670	171,500	152,271	19,229
Materials and Supplies	135,500	145,670	101,870	43,800
Capital Outlay	43,000	43,000	24,585	18,415
<b>Total Central</b>	<b>\$1,392,410</b>	<b>\$1,392,410</b>	<b>\$1,289,009</b>	<b>\$103,401</b>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 General Fund (concluded)  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Community Services</u>				
Salaries and Wages	\$245,000	\$245,000	\$243,317	\$1,683
Fringe Benefits	46,165	46,164	43,994	2,170
Materials and Supplies	2,000	1,900	1,411	489
Other Expenditures	0	5,700	5,661	39
Total Community Services	293,165	298,764	294,383	4,381
<u>Extracurricular Activities</u>				
Salaries and Wages	968,100	968,100	921,078	47,022
Fringe Benefits	173,170	173,175	161,656	11,519
Purchased Services	56,500	76,500	69,049	7,451
Capital Outlay	0	10,000	9,140	860
Total Extracurricular Activities	1,197,770	1,227,775	1,160,923	66,852
Total Expenditures	76,626,862	76,776,862	73,215,251	3,561,611
Excess of Revenues Over (Under) Expenditures	(5,615,292)	(5,765,292)	(739,647)	5,025,645
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	5,000	5,000	27,340	22,340
Total Other Financing Sources (Uses)	5,000	5,000	27,340	22,340
Net Change in Fund Balance	(5,610,292)	(5,760,292)	(712,307)	5,047,985
Fund Balance Beginning of Year	12,617,473	12,617,473	12,617,473	0
Prior year encumbrances appropriated	1,576,863	1,576,863	1,576,863	0
Fund Balance End of Year	<u>\$8,584,044</u>	<u>\$8,434,044</u>	<u>\$13,482,029</u>	<u>\$5,047,985</u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Underground Storage Tank Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	11,000	11,000	11,000	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>



Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Athletic Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Extracurricular Activities	\$545,000	\$500,000	\$511,575	\$11,575
Total Revenues	545,000	500,000	511,575	11,575
Expenditures:				
Current:				
Extracurricular Activities	575,000	628,023	504,895	123,128
Total Expenditures	575,000	628,023	504,895	123,128
Net Change in Fund Balance	(30,000)	(128,023)	6,680	134,703
Fund Balance Beginning of Year	164,411	164,411	164,411	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$134,411	\$36,388	\$171,091	\$134,703

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Auxiliary Services Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$5,951	\$6,000	\$6,000	\$0
Intergovernmental	2,169,049	2,187,088	2,187,088	0
Total Revenues	2,175,000	2,193,088	2,193,088	0
Expenditures:				
Current:				
Community Services	2,313,633	2,610,474	2,591,449	19,025
Total Expenditures	2,313,633	2,610,474	2,591,449	19,025
Net Change in Fund Balance	(138,633)	(417,386)	(398,361)	19,025
Fund Balance Beginning of Year	353,753	353,753	353,753	0
Prior year encumbrances appropriated	63,633	63,633	63,633	0
Fund Balance End of Year	\$278,753	\$0	\$19,025	\$19,025

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Consumer Economics Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Support Services:				
Pupil	0	45	45	0
Total Expenditures	0	45	45	0
Net Change in Fund Balance	0	(45)	(45)	0
Fund Balance Beginning of Year	45	45	45	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$45	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Career Development Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$25,000	\$22,164	\$22,164	\$0
Total Revenues	25,000	22,164	22,164	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	30,540	31,924	31,924	0
Total Expenditures	30,540	31,924	31,924	0
Net Change in Fund Balance	(5,540)	(9,760)	(9,760)	0
Fund Balance Beginning of Year	307	307	307	0
Prior year encumbrances appropriated	5,540	5,540	5,540	0
Fund Balance End of Year	\$307	(\$3,913)	(\$3,913)	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Excellence in Education Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
Community Services	3,232	3,232	3,232	0
Total Expenditures	3,232	3,232	3,232	0
Net Change in Fund Balance	(3,232)	(3,232)	(3,232)	0
Fund Balance Beginning of Year	(55)	(55)	(55)	0
Prior year encumbrances appropriated	3,287	3,287	3,287	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Education Management Information System Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$38,000	\$38,933	\$38,933	\$0
Total Revenues	38,000	38,933	38,933	0
Expenditures:				
Current:				
Support Services:				
Central	52,500	39,000	28,464	10,536
Total Expenditures	52,500	39,000	28,464	10,536
Net Change in Fund Balance	(14,500)	(67)	10,469	10,536
Fund Balance Beginning of Year	28,739	28,739	28,739	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$14,239	\$28,672	\$39,208	\$10,536

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Public Preschool Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$150,000	\$147,824	\$147,824	\$0
Total Revenues	150,000	147,824	147,824	0
Expenditures:				
Current:				
Instruction:				
Regular	81,519	128,609	123,242	5,367
Support Services:				
Pupil	17,313	27,313	26,172	1,141
Instructional Staff	26,168	41,284	39,561	1,723
Total Expenditures	125,000	197,206	188,975	8,231
Net Change in Fund Balance	25,000	(49,382)	(41,151)	8,231
Fund Balance Beginning of Year	49,382	49,382	49,382	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$74,382	\$0	\$8,231	\$8,231

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Disadvantaged Pupil Impact Aid Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$125,000	\$87,500	\$87,500	\$0
Total Revenues	125,000	87,500	87,500	0
Expenditures:				
Current:				
Instruction:				
Special	125,000	87,500	87,500	0
Total Expenditures	125,000	87,500	87,500	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0



Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Ohio SchoolNet Professional Development Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$5,000	\$10,892	\$10,892	\$0
Total Revenues	5,000	10,892	10,892	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	4,000	14,667	8,809	5,858
Total Expenditures	4,000	14,667	8,809	5,858
Net Change in Fund Balance	1,000	(3,775)	2,083	5,858
Fund Balance Beginning of Year	3,775	3,775	3,775	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$4,775	\$0	\$5,858	\$5,858

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 OhioReads Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$234,675	\$234,675	\$234,675	\$0
Total Revenues	234,675	234,675	234,675	0
Expenditures:				
Current:				
Instruction:				
Regular	130,047	137,218	137,218	0
Support Services:				
Instructional Staff	120,258	126,889	126,889	0
Community Services	426	450	450	0
Total Expenditures	250,731	264,557	264,557	0
Net Change in Fund Balance	(16,056)	(29,882)	(29,882)	0
Fund Balance Beginning of Year	14,150	14,150	14,150	0
Prior year encumbrances appropriated	15,732	15,732	15,732	0
Fund Balance End of Year	\$13,826	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Safe School Help Line Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$9,940	\$9,067	\$9,067	\$0
Total Revenues	9,940	9,067	9,067	0
Expenditures:				
Current:				
Support Services:				
Pupil	9,940	9,067	9,067	0
Total Expenditures	9,940	9,067	9,067	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Schools-that-Work Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$65,000	\$57,500	\$57,500	\$0
Total Revenues	65,000	57,500	57,500	0
Expenditures:				
Current:				
Support Services:				
Pupil	51,000	74,556	74,556	0
Total Expenditures	51,000	74,556	74,556	0
Net Change in Fund Balance	14,000	(17,056)	(17,056)	0
Fund Balance Beginning of Year	16,056	16,056	16,056	0
Prior year encumbrances appropriated	1,000	1,000	1,000	0
Fund Balance End of Year	\$31,056	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Entry Year Teacher Grant Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$28,000	\$28,000	\$0
Total Revenues	0	28,000	28,000	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	0	28,000	28,000	0
Total Expenditures	0	28,000	28,000	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title II Eisenhower Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	657	5,398	5,398	0
Community Services	73	604	604	0
Total Expenditures	730	6,002	6,002	0
Net Change in Fund Balance	(730)	(6,002)	(6,002)	0
Fund Balance Beginning of Year	5,272	5,272	5,272	0
Prior year encumbrances appropriated	730	730	730	0
Fund Balance End of Year	\$5,272	\$0	\$0	\$0

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
IDEA B Special Education Special Revenue Fund  
For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$935,000	\$1,123,719	\$1,123,719	\$0
Total Revenues	935,000	1,123,719	1,123,719	0
Expenditures:				
Current:				
Instruction:				
Special	169,772	255,883	241,396	14,487
Support Services:				
Pupil	142,662	215,023	202,849	12,174
Instructional Staff	240,082	361,855	341,369	20,486
School Administration	112,725	169,901	160,282	9,619
Community Services	105,080	158,379	149,412	8,967
Total Expenditures	770,321	1,161,041	1,095,308	65,733
Net Change in Fund Balance	164,679	(37,322)	28,411	65,733
Fund Balance Beginning of Year	89,470	89,470	89,470	0
Prior year encumbrances appropriated	3,320	3,320	3,320	0
Fund Balance End of Year	\$257,469	\$55,468	\$121,201	\$65,733

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Vocational Education Perkins Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$136,200	\$168,403	\$179,834	\$11,431
Total Revenues	136,200	168,403	179,834	11,431
Expenditures:				
Current:				
Instruction:				
Vocational	48,774	72,204	72,204	0
Support Services:				
Pupil	47,002	69,580	69,580	0
Instructional Staff	23,121	34,227	34,227	0
School Administration	1,742	2,579	2,579	0
Central	19,269	28,526	28,526	0
Total Expenditures	139,908	207,116	207,116	0
Net Change in Fund Balance	(3,708)	(38,713)	(27,282)	11,431
Fund Balance Beginning of Year	(6,200)	(6,200)	(6,200)	0
Prior year encumbrances appropriated	9,908	9,908	9,908	0
Fund Balance End of Year	\$0	(\$35,005)	(\$23,574)	\$11,431



Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title III LEP Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$12,023	\$12,023	\$0
Total Revenues	0	12,023	12,023	0
Expenditures:				
Current:				
Instruction:				
Special	0	6,270	3,173	3,097
Support Services:				
Pupil	0	3,750	1,898	1,852
Community Services	0	1,480	749	731
Total Expenditures	0	11,500	5,820	5,680
Net Change in Fund Balance	0	523	6,203	5,680
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$523	\$6,203	\$5,680

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title I Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$900,000	\$797,510	\$797,510	\$0
Total Revenues	900,000	797,510	797,510	0
Expenditures:				
Current:				
Instruction:				
Special	504,919	649,142	630,972	18,170
Support Services:				
Instructional Staff	100,885	129,701	126,071	3,630
School Administration	53,894	69,287	67,348	1,939
Fiscal	17,328	22,278	21,654	624
Pupil Transportation	5,602	7,202	7,000	202
Community Services	17,569	22,587	21,955	632
Total Expenditures	700,197	900,197	875,000	25,197
Net Change in Fund Balance	199,803	(102,687)	(77,490)	25,197
Fund Balance Beginning of Year	105,210	105,210	105,210	0
Prior year encumbrances appropriated	197	197	197	0
Fund Balance End of Year	\$305,210	\$2,720	\$27,917	\$25,197

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title V Innovative Projects Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$64,120	\$112,842	\$112,842	\$0
Total Revenues	64,120	112,842	112,842	0
Expenditures:				
Current:				
Instruction:				
Special	12,170	31,482	30,015	1,467
Support Services:				
Instructional Staff	20,258	52,404	49,962	2,442
Community Services	17,985	46,527	44,358	2,169
Total Expenditures	50,413	130,413	124,335	6,078
Net Change in Fund Balance	13,707	(17,571)	(11,493)	6,078
Fund Balance Beginning of Year	23,663	23,663	23,663	0
Prior year encumbrances appropriated	413	413	413	0
Fund Balance End of Year	\$37,783	\$6,505	\$12,583	\$6,078

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Drug Free Schools Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$64,600	\$51,461	\$51,461	\$0
Total Revenues	64,600	51,461	51,461	0
Expenditures:				
Current:				
Support Services:				
Pupil	44,370	47,015	45,779	1,236
Community Services	5,945	6,300	6,134	166
Total Expenditures	50,315	53,315	51,913	1,402
Net Change in Fund Balance	14,285	(1,854)	(452)	1,402
Fund Balance Beginning of Year	4,247	4,247	4,247	0
Prior year encumbrances appropriated	315	315	315	0
Fund Balance End of Year	\$18,847	\$2,708	\$4,110	\$1,402

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title II-A Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$221,830	\$244,715	\$244,715	\$0
Total Revenues	221,830	244,715	244,715	0
Expenditures:				
Current:				
Instruction:				
Regular	145,978	167,875	155,656	12,219
Support Services:				
Instructional Staff	52,739	60,650	56,236	4,414
Community Services	1,283	1,475	1,368	107
Total Expenditures	200,000	230,000	213,260	16,740
Net Change in Fund Balance	21,830	14,715	31,455	16,740
Fund Balance Beginning of Year	203	203	203	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$22,033	\$14,918	\$31,658	\$16,740

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Assistive Technology Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$44,735	\$48,860	\$4,125
Total Revenues	0	44,735	48,860	4,125
Expenditures:				
Current:				
Instruction:				
Special	0	44,778	43,846	932
Total Expenditures	0	44,778	43,846	932
Net Change in Fund Balance	0	(43)	5,014	5,057
Fund Balance Beginning of Year	43	43	43	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$43	\$0	\$5,057	\$5,057

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Reading Excellence Award Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$8,000	\$7,985	\$7,985	\$0
Total Revenues	8,000	7,985	7,985	0
Expenditures:				
Current:				
Instruction:				
Special	31,843	31,843	31,843	0
Support Services:				
Instructional Staff	8,890	8,890	8,890	0
Community Services	472	472	472	0
Total Expenditures	41,205	41,205	41,205	0
Net Change in Fund Balance	(33,205)	(33,220)	(33,220)	0
Fund Balance Beginning of Year	8,872	8,872	8,872	0
Prior year encumbrances appropriated	24,348	24,348	24,348	0
Fund Balance End of Year	\$15	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 OCIS Awareness Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$1,700	\$1,700	\$0
Total Revenues	0	1,700	1,700	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	0	1,700	308	1,392
Total Expenditures	0	1,700	308	1,392
Net Change in Fund Balance	0	0	1,392	1,392
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$1,392	\$1,392



Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Technology II-D Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$24,900	\$24,163	\$24,163	\$0
Total Revenues	24,900	24,163	24,163	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	24,900	24,163	23,911	252
Total Expenditures	24,900	24,163	23,911	252
Net Change in Fund Balance	0	0	252	252
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$252	\$252

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$1,516,251	\$1,516,251	\$1,500,543	(\$15,708)
Intergovernmental	183,749	183,749	181,845	(1,904)
Total Revenues	1,700,000	1,700,000	1,682,388	(17,612)
Expenditures:				
Current:				
Support Services:				
Fiscal	19,804	19,804	19,742	62
Debt Service:				
Principal Retirement	451,407	451,407	450,000	1,407
Interest and Fiscal Charges	1,215,942	1,215,942	1,212,153	3,789
Total Expenditures	1,687,153	1,687,153	1,681,895	5,258
Net Change in Fund Balance	12,847	12,847	493	(12,354)
Fund Balance Beginning of Year	1,207,503	1,207,503	1,207,503	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$1,220,350	\$1,220,350	\$1,207,996	(\$12,354)

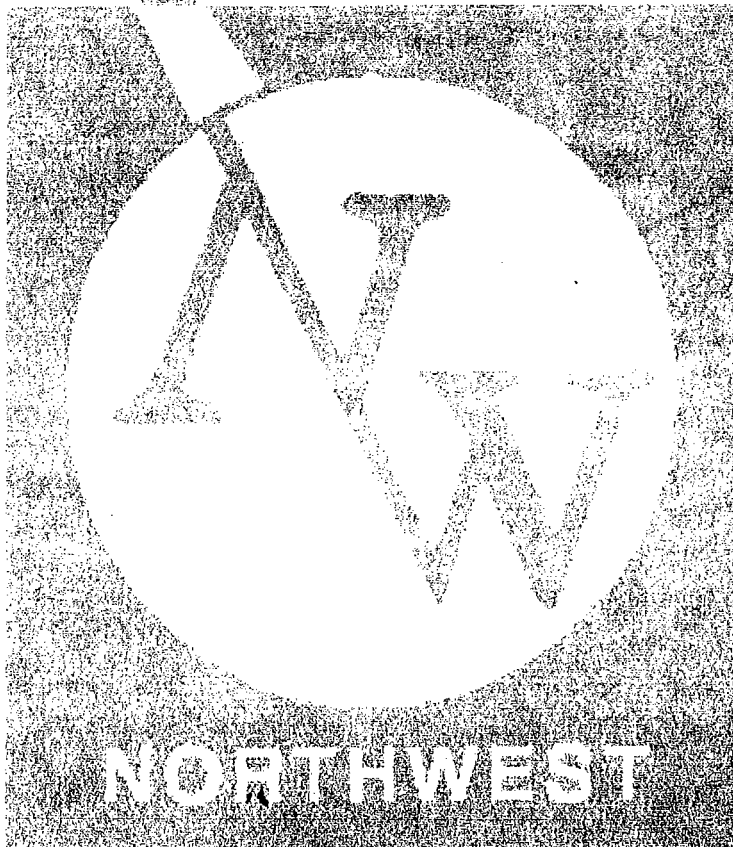
Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Permanent Improvement Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Revenues	\$0	\$243,157	\$247,439	\$4,282
Total Revenues	0	243,157	247,439	4,282
Expenditures:	580,000	0	0	0
Total Expenditures	580,000	0	0	0
Net Change in Fund Balance	(580,000)	243,157	247,439	4,282
Fund Balance Beginning of Year	583,713	583,713	583,713	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$3,713	\$826,870	\$831,152	\$4,282

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Ohio SchoolNet Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$209,000	\$209,980	\$209,980	\$0
Total Revenues	<u>209,000</u>	<u>209,980</u>	<u>209,980</u>	<u>0</u>
Expenditures:				
Current:				
Instruction:				
Regular	152,985	185,644	166,074	19,570
Support Services:				
Instructional Staff	10,300	12,499	11,181	1,318
Operations and Maintenance	71,215	86,418	77,308	9,110
Total Expenditures	<u>234,500</u>	<u>284,561</u>	<u>254,563</u>	<u>29,998</u>
Net Change in Fund Balance	<u>(25,500)</u>	<u>(74,581)</u>	<u>(44,583)</u>	<u>29,998</u>
Fund Balance Beginning of Year	74,581	74,581	74,581	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$49,081</u>	<u>\$0</u>	<u>\$29,998</u>	<u>\$29,998</u>

**Statistical  
Section**



**Northwest Local  
School District**



*STATISTICAL TABLES*

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

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NORTHWEST LOCAL SCHOOL DISTRICT  
GENERAL GOVERNMENTAL EXPENSES / EXPENDITURES BY FUNCTION (1)  
LAST TEN FISCAL YEARS  
1994 - 2003

	2003 Fiscal	2002 Fiscal	2001 Fiscal	2000 Fiscal	1999 Fiscal
	Full Accrual	Full Accrual			
Current:					
Instruction:					
Regular	\$35,522,485	\$34,805,741	\$32,195,439	\$30,005,234	\$27,944,788
Special	7,772,135	7,141,159	7,455,613	6,720,099	5,856,493
Vocational	2,116,694	2,014,296	2,066,921	1,915,200	1,900,644
Adult	0	0	0	0	10,023
Support services:					
Pupil	4,311,310	4,087,427	2,405,827	2,213,363	2,147,568
Instructional staff	5,003,623	4,703,188	2,602,693	2,507,374	2,408,701
General administration	120,895	87,785	72,804	68,186	64,511
School administration	5,146,738	5,090,831	4,533,642	4,223,811	3,907,607
Fiscal	1,360,512	1,311,298	1,146,340	1,055,891	1,011,803
Business	577,629	532,909	476,836	469,860	435,586
Operations and maintenance	8,245,783	8,058,321	7,913,706	6,695,399	6,355,384
Pupil transportation	4,088,325	3,567,960	3,351,247	3,101,010	4,151,188
Central	1,371,668	1,342,996	1,108,596	945,869	859,003
Community services	2,924,980	2,679,136	264,171	234,262	229,065
Extracurricular activities	1,664,320	1,405,292	818,258	737,598	682,375
Capital outlay	0	0	234,412	9,789	0
Debt service	1,211,360	1,228,722	0	0	0
Total General Fund	<u>\$81,438,457</u>	<u>\$78,057,061</u>	<u>\$66,646,505</u>	<u>\$60,902,945</u>	<u>\$57,964,739</u>

Source: Northwest Local School District financial records.

(1) Includes all governmental activities for full accrual.



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1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal	1994 Fiscal
\$27,347,120	\$25,265,893	\$24,092,149	\$22,301,665	\$21,317,232
4,694,653	3,879,394	3,459,908	2,937,546	2,957,891
2,046,039	2,083,848	2,409,255	2,225,170	2,233,326
4,844	5,841	2,742	0	3,026
1,848,947	1,702,616	1,665,999	1,440,720	1,532,615
2,264,925	2,087,242	2,207,131	1,796,925	1,763,509
62,657	68,728	97,527	61,581	127,029
3,720,438	3,444,248	3,240,578	3,236,543	3,083,383
913,884	782,760	754,339	728,143	684,516
417,343	406,335	390,923	375,436	342,974
6,185,747	5,685,638	4,970,707	4,634,504	4,457,914
2,882,750	2,873,654	2,341,484	2,230,831	2,307,479
641,796	624,641	581,234	564,512	522,983
229,665	212,585	177,990	179,829	185,091
556,431	486,273	392,658	453,882	277,683
0	228,030	592,605	876,522	757,374
0	0	0	0	210,141
<u>\$53,817,239</u>	<u>\$49,837,726</u>	<u>\$47,377,229</u>	<u>\$44,043,809</u>	<u>\$42,764,166</u>

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NORTHWEST LOCAL SCHOOL DISTRICT  
 GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
 LAST TEN FISCAL YEARS  
 1994 - 2003

	2003 Fiscal	2002 Fiscal			
	Full Accrual	Full Accrual	2001 Fiscal	2000 Fiscal	1999 Fiscal
<b>Program Revenues</b>					
Charges for services	\$2,343,247	\$1,908,466	N/A	N/A	N/A
Operating grants and contributions	5,655,375	5,094,519	N/A	N/A	N/A
Capital grants and contributions	574,646	360,516	N/A	N/A	N/A
<b>General Revenues</b>					
Taxes	42,274,110	39,197,785	\$34,574,697	\$34,748,729	\$37,918,458
Revenue in lieu of taxes	1,436,898	940,478	747,826	414,737	0
Tuition	0	0	652,988	821,371	464,028
Earnings on investments	383,001	627,818	1,304,978	1,089,943	831,628
Intergovernmental	32,216,453	31,204,342	28,529,759	25,843,339	23,311,757
Other local revenues	323,898	200,581	701,597	616,976	554,600
Total Revenue	<u>\$85,207,628</u>	<u>\$79,534,505</u>	<u>\$66,511,845</u>	<u>\$63,535,095</u>	<u>\$63,080,471</u>

Source: Northwest Local School District financial records.

- (1) Includes all governmental activities for full accrual.
- (2) The increase in tax revenue from 1997 to 1998 was due to the passage of a tax levy.
- (3) The decrease in tax revenue from 1996 to 1997 was due to the implementation of a tax incremental financing program in Colerain Township.

1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal	1994 Fiscal
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
\$31,764,696	\$27,680,535	\$29,455,801	\$26,030,758	\$25,028,103
0	0	0	0	0
283,451	487,996	419,735	498,422	367,956
1,033,108	743,572	780,927	637,204	274,923
20,194,194	19,337,128	19,222,784	18,912,722	18,541,824
1,254,388	630,702	572,568	481,579	481,861
<u>\$54,529,837</u>	<u>\$48,879,933</u>	<u>\$50,451,815</u>	<u>\$46,560,685</u>	<u>\$44,694,667</u>

NORTHWEST LOCAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY  
LAST TEN COLLECTION (CALENDAR) YEARS  
1994 - 2003

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Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent Collected	Delinquent Collection
2003	\$46,220,339	\$42,179,489	91.26%	\$1,074,522
2002	45,657,507	41,684,515	91.30%	1,499,105
2001	44,701,487	41,940,289	93.82%	977,718
2000	44,397,128	40,796,464	91.89%	1,058,792
1999	41,344,648	39,490,148	95.51%	952,897
1998	35,218,006	34,456,186	97.84%	936,117
1997	31,182,318	30,038,073	96.33%	863,955
1996	29,819,396	29,670,430	99.50%	634,158
1995	29,938,667	29,416,613	98.26%	658,871
1994	28,296,112	27,839,965	98.39%	778,687
1993	26,924,760	26,367,760	97.93%	587,805

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Source: Hamilton County Auditor.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (3)	Percent Of Outstanding Delinquent Taxes To Tax Levied
\$43,254,011	93.58%	\$1,371,932	2.97%
43,183,620	94.58%	1,159,751	2.54%
42,918,007	96.01%	1,626,612	3.64%
41,855,256	94.27%	1,042,081	2.35%
40,443,045	97.82%	725,190	1.75%
35,392,303	100.49%	252,973	0.72%
30,902,028	99.10%	1,163,456	3.73%
30,304,588	101.63%	1,175,227	3.94%
30,075,484	100.46%	495,154	1.65%
28,618,652	101.14%	737,193	2.61%
26,955,565	100.11%	633,671	2.35%

NORTHWEST LOCAL SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN COLLECTION (CALENDAR) YEARS (1)  
 1994 - 2003

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$1,349,682,730	\$3,856,236,371	\$92,866,910	\$371,467,640
2002	1,237,011,150	3,534,317,571	97,329,980	389,319,920
2001	1,208,252,230	3,452,149,229	90,245,710	360,982,840
2000	1,208,116,000	3,451,760,000	95,055,550	380,222,200
1999	998,197,040	2,851,991,543	91,721,330	366,885,320
1998	979,857,920	2,799,594,057	93,311,490	373,245,960
1997	956,619,790	2,733,199,400	90,163,750	360,655,000
1996	908,569,530	2,595,912,943	84,885,450	339,541,800
1995	883,938,400	2,525,538,286	75,673,990	302,695,960
1994	837,599,440	2,393,141,257	72,536,430	290,145,720

Source: Hamilton County Auditor.

(1) Hamilton County Auditor property tax records are maintained on a calendar year basis.

(2) Ratio represents assessed value / total estimated value.

Public Utilities Personal		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (2)
\$39,296,490	\$79,631,096	\$1,481,846,130	\$4,307,335,107	34.40%
37,730,740	76,458,231	1,372,071,870	4,000,095,722	34.30%
54,842,530	62,321,057	1,353,340,470	3,875,453,125	34.92%
59,406,000	67,506,818	1,362,577,550	3,899,489,018	34.94%
57,518,280	65,361,682	1,147,436,650	3,284,238,545	34.94%
56,979,500	64,749,432	1,130,148,910	3,237,589,449	34.91%
59,573,940	67,697,659	1,106,357,480	3,161,552,059	34.99%
57,953,340	65,856,068	1,051,408,320	3,001,310,811	35.03%
60,128,740	68,328,114	1,019,741,130	2,896,562,359	35.21%
57,303,080	65,117,136	967,438,950	2,748,404,114	35.20%

NORTHWEST LOCAL SCHOOL DISTRICT  
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN COLLECTION (CALENDAR) YEARS  
1994 - 2003

	Tax Year	2002	2001	2000	1999
	Collection Year	2003	2002	2001	2000
Northwest Local School District		\$49.64	\$47.80	\$49.80	\$50.13
Fairfield City		5.94	5.94	5.94	4.54
Forest Park City		11.08	11.08	6.33	6.33
North College Hill City		6.68	6.68	6.68	6.68
Colerain Township		16.18	15.18	15.18	10.84
Green Township		8.31	8.31	8.81	8.81
Springfield Township		20.30	20.30	14.30	14.30
Hamilton County		21.87	21.47	19.92	20.83

Source: Hamilton County Auditor.



1998	1997	1996	1995	1994	1993
1999	1998	1997	1996	1995	1994
\$50.18	\$50.18	\$43.15	\$43.15	\$43.18	\$43.18
4.54	4.54	4.54	4.54	4.25	4.25
6.33	6.33	6.33	6.33	6.33	6.32
6.68	6.68	6.68	4.88	4.88	4.88
12.34	12.34	12.34	12.34	12.34	12.34
8.81	8.81	8.81	8.81	7.06	7.06
14.30	14.30	13.30	13.30	12.30	12.30
19.54	19.01	19.44	18.30	18.33	18.56

NORTHWEST LOCAL SCHOOL DISTRICT  
RATIO OF NET GENERAL BONDED DEBTS TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN COLLECTION (CALENDAR) YEARS  
1994 - 2003

Collection Year	Population (1)	Assessed Value (2)	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Estimated Net Bonded Debt Per Capita
2003	85,875	\$1,481,846,130	\$23,340,000	\$1,737,195	\$21,602,805	1.46%	\$252
2002	85,875	1,372,071,870	23,790,000	1,628,901	22,161,099	1.62%	258
2001	85,875	1,353,340,470	24,200,000	1,517,390	22,682,610	1.68%	264
2000	85,875	1,362,577,550	24,575,000	1,429,554	23,145,446	1.70%	270
1999	67,373	1,147,436,650	24,910,000	1,070,537	23,839,463	2.08%	354
1998	67,373	1,130,148,910	25,000,000	553,118	24,446,882	2.16%	363
1997	67,373	1,106,357,480	0	38,134	0	0.00%	0
1996	67,373	1,051,408,320	150,000	192,447	0	0.00%	0
1995	67,373	1,019,741,130	300,000	253,490	46,510	0.00%	1
1994	67,373	967,438,950	450,000	251,351	198,649	0.02%	3

Source: (1) 1990 and 2000 Census data.  
Department of Economic Development and Planning.  
Population for interim years was not available.

(2) Hamilton County Auditor, calendar year basis.

NORTHWEST LOCAL SCHOOL DISTRICT  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 AS OF JUNE 30, 2003

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Northwest Local School District	\$23,340,000	100.00%	\$23,340,000
Overlapping:			
Fairfield City	20,165,000	0.03%	6,050
Forest Park City	7,840,000	13.14%	1,030,176
North College Hill City	1,420,000	1.12%	15,904
Colerain Township	10,770,000	93.25%	10,043,025
Green Township	833,333	27.78%	231,500
Fairfield Township	2,385,845	0.60%	14,315
Springfield Township	12,485,250	11.73%	1,464,520
Hamilton County	130,790,000	7.84%	10,253,936
Butler County	83,941,600	0.03%	25,182
Total Overlapping	<u>270,631,028</u>		<u>23,084,608</u>
Total Direct and Overlapping Debt	<u>\$293,971,028</u>		<u>\$46,424,608</u>

Source: Ohio Municipal Advisory Council.

NORTHWEST LOCAL SCHOOL DISTRICT  
 COMPUTATION OF LEGAL DEBT MARGIN  
 AS OF JUNE 30, 2003

Assessed Valuation of District		<u>\$1,481,846,130</u>
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Overall Direct Debt Limitation

Direct Debt Limitation		
9% of Assessed Valuation		\$133,366,152
Amount Available in Debt Service Fund		1,737,195
Gross Indebtedness	\$23,340,000	
Less: Debt Exempt from Limitation	<u>0</u>	
Debt Subject to 9% Limitation		<u>(23,340,000)</u>
Legal Debt Margin Within 9% Limitation		<u>\$111,763,347</u>

Unvoted Direct Debt Limitation

Unvoted Debt Limitation		
0.1% of Assessed Valuation		\$1,481,846
Amount Available in Debt Service Fund Related to Unvoted Debt		0
Gross Indebtedness Authorized by the Board	0	
Less: Debt Exempt from Limitation	<u>0</u>	
Debt Subject to 0.1% Limitation		<u>0</u>
Legal Debt Margin Within 0.1% Limitation		<u>\$1,481,846</u>

Energy Conservation Bond Limitation

(Ohio Revised Code Section 133.042)

Debt Limitation		
0.9% of Assessed Valuation		\$13,336,615
Energy Conservation Notes Authorized by the Board		0
Legal Debt Margin Within 0.9% Limitation		<u>\$13,336,615</u>

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES (1)  
LAST TEN FISCAL YEARS  
1994 - 2003

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures (%)
2003	\$450,000	\$1,212,153	\$1,662,153	\$72,929,594	2.28%
2002	410,000	1,230,133	1,640,133	71,500,726	2.29%
2001	375,000	1,246,213	1,621,213	66,646,505	2.43%
2000	335,000	1,260,445	1,595,445	60,902,945	2.62%
1999	362,890	1,302,903	1,665,793	57,964,739	2.87%
1998	259,533	889,653	1,149,186	53,817,239	2.14%
1997	396,830	42,594	439,424	49,837,726	0.88%
1996	384,749	64,416	449,165	47,377,229	0.95%
1995	318,490	77,737	396,227	44,043,809	0.90%
1994	150,000	32,479	182,479	42,764,166	0.43%

Source: Northwest Local School District records.

(1) Includes General Fund only.

NORTHWEST LOCAL SCHOOL DISTRICT  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 1994 - 2003

Fiscal Year	Population (1)	Average Federal Adjusted Gross Income (2)	School Enrollment (3)	Unemployment Rate (4)
2003	85,875	Unavailable	10,646	5.30%
2002	85,875	Unavailable	10,504	7.20%
2001	85,875	\$45,751	10,510	3.90%
2000	85,875	46,551	10,465	3.10%
1999	67,373	44,375	10,446	3.20%
1998	67,373	42,625	10,488	3.20%
1997	67,373	39,350	10,544	3.20%
1996	67,373	37,450	10,664	4.10%
1995	67,373	35,380	10,483	4.30%
1994	67,373	34,090	10,476	4.30%

- Source:
- (1) 1990 and 2000 Census data.  
 Department of Economic Development and Planning.  
 Population for interim years was not available.
  - (2) Ohio Department of Taxation.
  - (3) Northwest Local School District records.
  - (4) Greater Cincinnati Chamber of Commerce.  
 Unemployment rate for Cincinnati Metropolitan area.

NORTHWEST LOCAL SCHOOL DISTRICT  
 CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES  
 LAST TEN COLLECTION (CALENDAR) YEARS  
 1994 - 2003

Fiscal Year	Construction	Bank Deposits (1) (000's)	Real Property Values (2)
2003	\$16,263,800	\$145,359,134	\$1,349,682,730
2002	18,350,600	133,025,841	1,237,011,150
2001	15,525,000	76,137,192	1,208,252,230
2000	18,475,210	41,302,569	1,208,116,000
1999	23,015,000	23,939,085	998,197,040
1998	19,212,460	18,070,437	979,857,920
1997	21,586,570	21,598,936	956,619,790
1996	21,569,220	19,276,655	908,569,530
1995	27,398,366	17,301,493	883,938,400
1994	16,155,030	20,249,023	837,599,440

Source:

(1) Total deposits of all banks headquartered in Hamilton County, Ohio. Data was not available for the District only. Department of Commerce, Banks Division.

(2) Hamilton County Auditor.

NORTHWEST LOCAL SCHOOL DISTRICT  
 REAL AND TANGIBLE PERSONAL PROPERTY  
 TOP TEN PRINCIPAL TAXPAYERS  
 AS OF JUNE 30, 2003

Name of Taxpayer	Real Property	Personal Property	Total Assessed Valuation	Percent of Total Assessed Valuation (1)
Cincinnati Gas and Electric Company	\$28,177,140	\$0	\$28,177,140	1.90%
Northgate Partners LLC	25,324,270	0	25,324,270	1.71%
Procter and Gamble Company	5,884,590	12,591,630	18,476,220	1.25%
Gator Forest Partners LTD	10,238,250	0	10,238,250	0.69%
KIR Colerain LLC	9,487,470	0	9,487,470	0.64%
Rumpke Sanitary Landfill of Ohio Inc.	6,195,310	3,076,410	9,271,720	0.63%
Cincinnati Bell	9,014,040	0	9,014,040	0.61%
Home Depot USA Inc.	4,539,620	3,189,780	7,729,400	0.52%
Cobblewood Plaza	6,738,110	0	6,738,110	0.46%
Sears Roebuck & Company	3,238,900	1,693,460	4,932,360	0.33%
Total	<u>\$108,837,700</u>	<u>\$20,551,280</u>	<u>\$129,388,980</u>	8.73%

Source: Hamilton County Auditor.

(1) The assessed valuation of the Northwest Local School District totaled for collection (calendar) year 2003.



NORTHWEST LOCAL SCHOOL DISTRICT  
 NORTHWEST LOCAL SCHOOL DISTRICT AREA  
 TEN LARGEST EMPLOYERS  
 AS OF JUNE 30, 2003

Employer	Nature of Business	Number of Employees
Northwest Local School District	Public Education	1,380
Northgate Mall	Retail	1,125
Procter and Gamble Company	Research and Development	1,100
Rumpke Container Service	Sanitation and Landfill	915
Kroger	Retail	424
Walmart	Retail	305
Clippard Instrument Lab Incorporated	Manufacturing	237
Thriftway	Retail	152
United States Postal Office	Postal Service	113
Joseph Chevrolet	Automobile Retail	94

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT  
 COST TO EDUCATE A 2003 GRADUATE

School Year (1)	Grade	Annual Per Pupil Cost (2)
1991	K	\$1,983
1992	1	4,219
1993	2	4,391
1994	3	4,243
1995	4	4,508
1996	5	4,708
1997	6	5,462
1998	7	5,929
1999	8	6,399
2000	9	6,539
2001	10	7,129
2002	11	7,504
2003	12	7,606
		<u>\$70,620</u>

Source:

Northwest Local School District records.

(1) School year is from July 1 through June 30.

(2) Annual per pupil cost for all years except Kindergarten where amount is one-half annual per pupil cost. Annual cost per pupil on a cash basis.

NORTHWEST LOCAL SCHOOL DISTRICT  
NUMBER OF TEACHERS: EDUCATION AND YEARS OF EXPERIENCE  
AS OF JUNE 30, 2003

Education	Number of Teachers	Percentage of Total
Bachelor's Degree	135	19.74%
Bachelor's Degree + 15 Semester Hours	184	26.90%
Master's Degree	154	22.51%
Master's Degree + 15 Semester Hours	103	15.06%
Master's Degree + 30 Semester Hours	30	4.39%
Master's Degree + 45 Semester Hours	78	11.40%
Total Number of Teachers	<u>684</u>	<u>100.00%</u>

Experience	Number of Teachers	Percentage of Total
0 - 5 years	192	28.07%
6 - 10 years	152	22.22%
10 + years	340	49.71%
Total Number of Teachers	<u>684</u>	<u>100.00%</u>

NORTHWEST LOCAL SCHOOL DISTRICT  
 SCHOOL PARTNERSHIP PROGRAM PARTICIPANTS  
 AS OF JUNE 30, 2003

SCHOOL	BUSINESS PARTNER
Bevis Elementary School	Nolte Precise Manufacturing, Inc. Outback Steakhouse
Colerain Elementary School	Cincinnati Financial Corporation Biggs Supermarket
Colerain Middle School	Cincinnati Financial Corporation
Colerain Senior High School	Cincinnati Financial Corporation Northwest Employees Credit Union
Colerain Career Center	Home Depot
Houston Elementary School	Joseph Chevrolet Biggs Supermarket
Monfort Heights Elementary School	Caldwell Banker / West Shell Realtors Sur-Seal White Oak Kiwanis
Northwest Senior High School	Huber General Contracting Baker Concrete
Pleasant Run Elementary School	Star One Realty Lo Bill Foods
Pleasant Run Middle School	Rumpke Waste Incorporated
Struble Elementary School	Union Central Life Insurance Company Winton Savings and Loan
Taylor Elementary School	McDonald's Restaurants Staples
Weigel Elementary School	Northgate Mall
White Oak Middle School	Hart & Gersbach, CPA
Preschool Program	Border's Books

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT  
 TEN-YEAR ENROLLMENT PROJECTIONS  
 FOR FISCAL YEARS 2004 - 2013

Grade	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
K	837	847	812	837	847	812	837	847	812	886
1	757	745	754	723	745	754	723	745	754	723
2	742	749	737	746	715	737	746	715	737	746
3	753	757	764	752	761	730	752	761	730	752
4	769	753	757	764	752	761	730	752	761	730
5	770	800	783	787	795	782	792	759	782	792
6	832	809	840	822	826	835	821	831	797	821
7	866	824	800	831	814	818	826	813	823	789
8	882	875	832	808	840	822	826	835	821	831
9	1,069	1,014	1,006	957	930	966	946	950	960	945
10	868	1,026	974	966	918	892	927	908	912	921
11	852	833	985	935	927	882	857	890	871	876
12	716	758	742	877	832	825	846	763	792	776
Total	<u>10,713</u>	<u>10,790</u>	<u>10,786</u>	<u>10,805</u>	<u>10,702</u>	<u>10,616</u>	<u>10,629</u>	<u>10,569</u>	<u>10,552</u>	<u>10,588</u>

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT  
 SCHEDULE OF INSURANCE POLICIES  
 AS OF JUNE 30, 2003

Company	Policy Number	Policy Period
Cincinnati Insurance Company	CPP-551-38-53	04/10/00 thru 4/10/2005
Cincinnati Insurance Company	CPP-501-38-53	04/10/00 thru 4/10/2005
Cincinnati Insurance Company	CPP-551-38-53	04/10/00 thru 4/10/2005
Cincinnati Insurance Company	CPP-551-38-53	04/10/00 thru 4/10/2005
Harcum - Hyre Insurance Company	OH4000554-PO1-L	12/10/02 thru 12/10/03
Twin City Fire Insurance Company	45XSOA5357	12/10/02 thru 12/10/03
Harcum - Hyre Insurance Company	OH4000554-PO1-A	07/10/02 thru 07/10/03

Source: Northwest Local School District records.

Details of Coverage	Liability Limits	Deductible	Annual Premium
Buildings and Contents	\$86,417,996	\$2,500	\$67,386
Earthquake	86,417,996	5.0%	
Radio & Communication Equipment	70,000	250	
Electronic Data Equipment	2,000,000	2,500	
Boiler and Machinery	9,000,000	2,500	
Burglary and Theft (blanket)	50,000	None	
Theft (inside)	10,000		
Theft (outside)	5,000		
Mobile Instruction Unit (Vans) Contents	60,000	500	
Education Liability	1,000,000 Per Incident 3,000,000 Aggregate	None	69,195
Umbrella Liability	2,000,000 Per Incident 2,000,000 Aggregate	None	17,832
Fleet	1,000,000	1,000	119,844

NORTHWEST LOCAL SCHOOL DISTRICT  
 TRANSPORTATION STATISTICS  
 AS OF JUNE 30, 2003

Number of Assigned School Buses in Fleet: 84

Average Age of School Buses in Fleet: 8.5

Number of Bus Drivers: 84

Average Number of Years Experience: 10

Number of Miles Driven Per Day: 5,374

Number of Miles Driven Annually: 1,035,657

Average Annual Miles per Bus: 12,329

Number of Students Transported per Day:

Public School Students	6,898
Non-Public School Students	3,499
Handicapped Students	224
Preschool Students	61
	<hr/>

Total: 10,682

Number of Students Transported per Year: 1,922,760

Percent of Student Enrollment Transported:

Public	65%
Non-Public	33%
Other	2%

Source: Northwest Local School District records.



Issued by the Treasurer's Office  
Northwest Local School District  
3240 Banning Road  
Cincinnati, Ohio 45239-5297

(513) 923-1000

Northwest Local School District offers Equal Educational and Employment  
Opportunities without regard to race, color, religion,  
national origin, sex, handicap, or other human differences.





**Auditor of State  
Betty Montgomery**

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Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
JANUARY 22, 2004**