



NORTHWEST LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2011



Dave Yost • Auditor of State

Board of Education
Northwest Local School District
3240 Banning Road
Cincinnati, Ohio 45239

We have reviewed the *Independent Auditors' Report* of the Northwest Local School District, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

January 26, 2012

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TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1 – 2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 – 4
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	5 – 6
Schedule of Findings and Questioned Costs.....	7 – 9
Schedule of Prior Audit Findings.....	10
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	11

NORTHWEST LOCAL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2011

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u> (Passed through Ohio Department of Education)				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution)</i>				
National School Lunch Program	n/a	10.555	\$ 200,651	200,651
<i>Cash Assistance</i>				
School Breakfast Program	05PU-2011	10.553	209,862	209,862
National School Lunch Program	LLP4-2011	10.555	1,677,352	1,677,352
			<u>1,887,214</u>	<u>1,887,214</u>
<i>Cash Assistance Subtotal</i>				
Nutrition Cluster Total			<u>2,087,865</u>	<u>2,087,865</u>
Total U.S. Department of Agriculture			<u>2,087,865</u>	<u>2,087,865</u>
<u>U.S. Department of Education:</u> (Passed through Ohio Department of Education)				
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	C1S1-2010	84.010	272,913	270,996
Title I Grants to Local Educational Agencies	C1S1-2011	84.010	1,684,403	1,847,174
Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2010	84.010	12,068	395
Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2011	84.010	4,816	9,668
ARRA - Title I Grants to Local Educational Agencies	C1S1-2010	84.389	36,919	14,717
ARRA - Title I Grants to Local Educational Agencies	C1S1-2011	84.389	503,475	599,522
ARRA - Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2010	84.389	4,013	53
ARRA - Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2011	84.389	17,533	18,003
Title I, Part A Cluster Total			<u>2,536,140</u>	<u>2,760,528</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2010	84.027	300,991	128,173
Special Education - Grants to States	6BSF-2011	84.027	1,520,619	2,104,921
Special Education - Preschool Grants	PGS1-2010	84.173	18,621	17,067
Special Education - Preschool Grants	PGS1-2011	84.173	3,439	18,914
ARRA - Special Education - Grants to States	6BSF-2010	84.391	288,140	-
ARRA - Special Education - Grants to States	6BSF-2011	84.391	185,172	390,913
Special Education Cluster Total			<u>2,316,982</u>	<u>2,659,988</u>
ARRA - Education of Homeless Children and Youth	ARRA-2011	84.387	4,310	4,310
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2010	84.186	1,391	6,022
ARRA - Race to the Top	2011	84.395	2,225	59,579
Education Technology State Grants Cluster:				
Education Technology State Grants	TJS1-2010	84.318	1,613	29
Education Technology State Grants	TJS1-2011	84.318	2,513	7,160
ARRA - Education Technology State Grants	TJS1-2010	84.386	31,504	33,833
ARRA - Education Technology State Grants	TJS1-2011	84.386	104,353	143,395
Education Technology State Grants Cluster Total			<u>139,983</u>	<u>184,417</u>
English Language Acquisition Grants	T3S1-2010	84.365	2,799	603
English Language Acquisition Grants	T3S1-2011	84.365	48,044	44,213
			<u>50,843</u>	<u>44,816</u>
Improving Teacher Quality State Grants	TRS1-2010	84.367	73,902	66,655
Improving Teacher Quality State Grants	TRS1-2011	84.367	284,250	307,888
			<u>358,152</u>	<u>374,543</u>
ARRA - State Fiscal Stabilization - Education State Grants	ARRA-2011	84.394	2,185,079	2,225,857
Total U.S. Department of Education			<u>7,595,105</u>	<u>8,320,060</u>
Total Federal Awards			<u>\$ 9,682,970</u>	<u>10,407,925</u>

NORTHWEST LOCAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards - continued
Year Ended June 30, 2011

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - NUTRITION CLUSTER

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

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

To the Board of Education
Northwest Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the "School District") as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 22, 2011 wherein we noted the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance And Other Matters

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

We noted certain matters that we reported to management of the School District in a separate letter dated December 22, 2011.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 22, 2011

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Northwest Local School District:

Compliance

We have audited the Northwest Local School District's ("School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2011. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questions costs as items 2011-1 and 2011-2.

Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-1 and 2011-2. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 22, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The School District's responses to the findings identified in our audit are described in accompanying schedule of findings and questioned costs. We did not audit the School District's responses and, accordingly, we express no opinion on the responses.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 22, 2011

NORTHWEST LOCAL SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2011

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Type of auditors’ report issued on compliance for major programs:	unqualified
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Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	yes
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Identification of major programs:

Title I, Part A Cluster:
 CFDA 84.010 – *Title I Grants to Local Educational Agencies*
 CFDA 84.389 – *ARRA-Title I Grants to Local Educational Agencies*

Special Education Cluster:
 CFDA 84.027 – *Special Education – Grants to States*
 CFDA 84.173 – *Special Education – Preschool Grants*
 CFDA 84.391 – *ARRA-Special Education – Grants to States*

Education Technology State Grants Cluster:
 CFDA 84.318 – *Education Technology State Grants*
 CFDA 84.386 – *ARRA-Education Technology State Grants*

CFDA 84.394 – *ARRA-State Fiscal Stabilization – Education State Grants*

Dollar threshold to distinguish between Type A and Type B Programs:	\$312,238
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Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

DEPARTMENT OF EDUCATION

Finding 2011-1 – CFDA No. 84.394 – ARRA-State Fiscal Stabilization

Condition: We performed cash management compliance tests to determine if the School District was minimizing the time that elapsed between the receipt of funding from the Ohio Department of Education (ODE) and the disbursement of the funds. We noted the School District did not always spend the monthly amounts received through state Foundation payments in accordance with policies stipulated by the ODE.

Criteria: 34 CFR 80.20(b)(7) states in part “When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements.” For the State Fiscal Stabilization funding, ODE provided the funding through its normal Foundation payment schedule and the School District was not required to request the funding. However, ODE stipulated that amounts received should be spent within 30 days or by the end of the month in which it was received, whichever came first.

Effect: Noncompliance with cash management requirements could result in funders seeking repayment of excess interest earnings on federal funding or other remedial actions.

Cause: The School District did not implement specific procedures to ensure that federal funds were disbursed in accordance with both Federal and ODE requirements.

Recommendation: We recommend the School District implement cash management procedures to ensure compliance with all federal requirements.

Managements Response: *Albeit an exception to traditional funding and Federal grant receivable systems, management concurs with the finding.*

Plan of Action: *In the future, if the state is passing through Federal funds through the state Foundation payment system, the School District will manage the expenditures to meet the 30-day spending requirement by monitoring the fund on a semi-monthly basis to correspond with the receipt of these funds.*

Section III – Federal Award Findings and Questioned Costs - continued

DEPARTMENT OF EDUCATION

Finding 2011-2 – CFDA No. 84.394 – ARRA-State Fiscal Stabilization

Condition: We performed tests to determine if the School District was properly reporting vendors that received a single payment, from a single ARRA grant, in excess of \$25,000 to the Ohio Department of Education (ODE) on the 1512 ARRA Subrecipient Vendor report. We noted two payments to vendors which appear to meet the criteria to be reported in accordance with ODE 1512 ARRA Subrecipient Vendor reporting requirements, but were not reported.

Criteria: American Recovery and Reinvestment Act of 2009 (ARRA), Section 1512 (b) & (c) requires any entity that receives certain Recovery funds directly from the Federal government to submit a report to the Federal Agency not later than 10 days after the end of each calendar quarter in which the Federal Recovery funds were received. The School District did not receive direct ARRA funding. However, the Ohio Department of Education's American Recovery and Reinvestment Act Reporting Guidance states that ODE, as a prime recipient of ARRA funding, is required to report quarterly to the federal government data on ARRA programs. Further, the ODE's reporting guidance indicates that ODE distributes ARRA funds to local education agencies (LEAs) as subrecipients and must collect quarterly data from LEAs to meet the 1512 reporting requirements associated with ARRA funding. Thus, the 1512 reporting requirements filter down to the School District and the School District is required to report certain information to ODE. Among the items to be reported, the vendor name and zip code are required for each vendor that received a single payment, from a single ARRA grant, in excess of \$25,000.

Effect: The failure to properly report 1512 information in accordance with program requirements could cause ODE's reporting to be inaccurate.

Cause: The School District did not implement specific procedures to ensure that all vendors receiving single payments of \$25,000, from a single ARRA grant, were reported on the ODE 1512 ARRA Subrecipient Vendor report on a quarterly basis

Recommendation: We recommend the School District implement procedures to ensure that all vendors receiving single payments of \$25,000 are reported on the ODE 1512 ARRA Subrecipient vendor report to comply with federal regulations.

Managements Response: Management concurs with the finding. The state's reporting system only allows for five vendors to be reported and any more than that must be emailed on a separate sheet and that sheet was not mailed.

Plan of Action: The School District does have a process in place to report all vendors with single payments more than \$25,000 per occurrence. The School District runs a report of all ARRA funds which includes vendor payments of more than \$25,000. This is then used to properly report the 1512 information. The School District will now email the report to ODE and to either the School District's Accountant or Assistant Treasurer to verify all information has been reported and sent to ODE.

NORTHWEST LOCAL SCHOOL DISTRICT
Schedule of Prior Audit Findings
Year Ended June 30, 2011

Federal Award Findings

Finding 2010-1 – Allowable Costs/Cost Principles for Special Education Cluster - CFDA No. 84.027, CFDA No. 87.173, CFDA No. 84.391 and CFDA No. 84.392

During the prior audit, it was noted that the Schools District did not properly complete on a semi-annual basis the certifications required for employees expected to work solely on a single Federal award or cost objective.

Status: Corrected.

Independent Accountants' Report on Applying Agreed-Upon Procedure

Northwest Local School District
3240 Banning Road
Cincinnati, Ohio 45239

To the Board of Education:

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

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

1. We noted the Board amended its bullying and other forms of aggressive behavior policy at its meeting on March 22, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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



Cincinnati, Ohio
December 22, 2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011



NORTHWEST LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO

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NORTHWEST LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	vii
List of Principal Officials	xxi
Administrative Center Flow Chart	xxiii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xxiv
ASBO Certificate of Excellence in Financial Reporting	xxv
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenses, and Changes in Fund Balance – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	17
Statement of Fund Net Assets – Internal Service Fund	18
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Fund	19
Statement of Cash Flows – Internal Service Fund	20
Statement of Assets and Liabilities – Fiduciary Fund	21
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	48
Notes to the Required Supplementary Information	49
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds	
Fund Descriptions	53
Combining Balance Sheet	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	55
Nonmajor Special Revenue Funds	
Fund Descriptions	57
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64

TABLE OF CONTENTS

	Page
Nonmajor Special Revenue Funds (Continued):	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Uniform School Supplies Fund	68
Underground Storage Tank Fund	69
Food Service Fund	70
Career Consultant Grant Fund	71
Athletic Fund	72
Auxiliary Services Fund	73
Public Preschool Fund	74
Entry Year Teacher Grant Fund	75
Educational Jobs Bill Fund	76
Race to the Top Fund	77
IDEA B Special Education Fund	78
Education Management Information System Fund	79
Title II-D Fund	80
Title III Fund	81
Title I Fund	82
Drug Free Schools Fund	83
State Fiscal Stabilization Fund	84
Early Childhood Special Education Fund	85
School Net Professional Development Fund	86
Title II A Fund	87
Special Trust Fund	88
Nonmajor Debt Service Fund	
Fund Descriptions	89
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget (Non-GAAP Basis) and Actual:	
Debt Service Fund	90
Nonmajor Capital Projects Funds	
Fund Descriptions	91
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget (Non-GAAP Basis) and Actual:	
Permanent Improvement Fund	92
Nonmajor Permanent Fund	
Fund Descriptions	93
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget (Non-GAAP Basis) and Actual:	
Endowment Fund	94
Nonmajor Internal Fund	
Fund Descriptions	95
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget (Non-GAAP Basis) and Actual:	
	96
Nonmajor Fiduciary Fund	
Fund Descriptions	97
Statement of Changes in Assets and Liabilities	98

TABLE OF CONTENTS

Schedule Page

STATISCAL SECTION

Net Assets by Component	1	101
Expenses, Program Revenues and Net (Expense)/Revenue	2	102
General Revenues and Total Change in Net Assets	3	103
Fund Balances, Governmental Funds	4	104
Governmental Funds Revenues	5	105
Governmental Funds Expenditures and Debt Service Ratio	6	106
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds	7	107
Assessed Value and Actual Value of Taxable Property	8	108
Direct and Overlapping Property Tax Rates	9	109
Principal Property Tax Payers	10	110
Property Tax Levies and Collections	11	111
Outstanding Debt by Type	12	112
Direct and Overlapping Governmental Activities Debt	13	113
Legal Debt Margin Information	14	114
Demographic and Economic Statistics	15	115
Major Employers	16	116
Full-Time Equivalent District Employees by Type	17	117
Operating Statistics	18	118
School Building Information	19	120

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INTRODUCTORY SECTION





NORTHWEST LOCAL SCHOOL DISTRICT

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

BOARD:

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

J. Richard Glatfelter, Superintendent
Randall R. Bertram, Treasurer/CFO

December 31, 2011

*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, 2011, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Clark, Schaeffer, Hackett & Co. and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is with the 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 CAFR is also available on the Treasurer's page on the Northwest Local School District website (<http://www.nwlsd.org>).

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 career technical levels; a broad range of cocurricular and extracurricular activities; adult and community education offerings; special education programs and facilities, and community recreational facilities.

The 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: Heaven's Treasures Academy, Beautiful Savior Lutheran School, LaSalle High School, Our Lady of Grace, Saint Bernard, Saint Ignatius, Saint James, Saint Joseph Villa and Saint John Elementary Schools. While these organizations share operational and service similar 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, in a suburb of Cincinnati, in the north part of Hamilton County. Approximately 82.19% of the District's tax base is 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 is stagnant under the current economic conditions. Unemployment rates are consistent with national averages. Real estate values are lower than anticipated while optimism for recovery is neutral.

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 52 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 steady.

The District now houses 9,515 students in two high schools, three middle schools, eight 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 management and electronics offered by Butler Tech. Students also can attend off-site career technical programs offered by Butler Tech.

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2010 Enrollment</i>
1923	Colerain Elementary 4850 Poole Road	849
1932	Colerain Middle School 4700 Poole Road	641
1959	Struble Elementary 2760 Jonrose Avenue	417
1960	Taylor Elementary 3173 Springdale Road	494
1961	White Oak Middle School 3130 Jessup Road	752
1961	Pleasant Run Elementary 11765 Hamilton Avenue	389

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2010 Enrollment</i>
1961	Pleasant Run Elementary 11765 Hamilton Avenue	389
1964	Colerain High School 8801 Cheviot Road	2,150
1965	Weigel Elementary 3242 Banning Road	490
1969	Pleasant Run Middle 11770 Pippin Road	794
1970	Bevis Elementary 10133 Pottinger Road	442
1972	Northwest High School 10761 Pippin Road	1,038
1977	Welch Elementary 12084 Deerhorn Drive	404
2000	Monfort Heights Elementary 3711 West Fork Road	655

Houston Elementary is closed. It is now the Houston Early Learning Center and Conference Center.
 Welch is a primary school with grades K through 2.
 Pleasant Run Elementary is an intermediate school with grades 3 through 5.

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, 2011, were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Jim Detzel	January, 2008	December, 2011	Business Owner
Pamela Detzel	January, 1998	December, 2013	Business Owner
David Denny	January, 2010	December, 2013	Business Owner
Elaine Gauck	January, 2010	December, 2013	Business Owner
Dan Unger	January, 2008	December, 2011	Business Executive

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Richard Glatfelter was appointed Superintendent in 2006. Mr. Glatfelter received his Bachelor of Science in Education from the University of Cincinnati and earned two Master degrees from the University of Cincinnati. He has been employed by the Northwest Local School District for the past 40 years. During this tenure, Mr. Glatfelter has served as a teacher, assistant principal, administrative assistant, director and 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. Randall R. Bertram was appointed Treasurer of the District in August, 2008. Mr. Bertram holds an A.A.S. Finance Degree from Sinclair Community College and a B.S. in Business Administration from Urbana University. Mr. Bertram has been in school finance since 2001.

EMPLOYEE RELATIONS

The District currently has approximately 1,179 full-time employees. The number of employees has increased slightly over the past few years with the implementation of alternative education programs. During the 2011 fiscal year, the District paid, from its General Fund \$50,041,134 in salaries and wages, and \$16,999,914 in fringe benefits, such as retirement contributions, Medicare taxes, workers’ compensation, and life, dental and health benefits.

The District’s teachers are represented for collective bargaining purposes by the Northwest Association of Educators [NAE]. The District has a three year collective bargaining agreement with NAE which expires June 29, 2014. 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, 2015.

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 4,843 students each day. The District fleet of 98 buses travels over 5,458 miles each day transporting 78 school bus routes to 25 different sites. In addition to making more than 548 daily runs, the department transported both public and non-public students on 1,892 extra-curricular trips during the year.

The food service department served 865,106 plate lunches and 115,743 breakfasts 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 reimbursable breakfast program at four elementary sites and one middle school site, as well as a la carte breakfast at the District's two high schools.

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 535 students in the specific trades through career technical education. Over 1,503 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 301 students participated in the gifted program. The District presented 711 high school diplomas in 2011.

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 2011-2012 AND BEYOND

- Continue to provide a quality education for each student in the District
- Continue to align district curriculum to state Academic Content Standards
- Achieve district and state targets for student achievement
- Continue to achieve an Excellent rating on the Local Report Card
- Meet the federal mandates of No Child Left Behind
- Recruit and retain quality staff
- Provide time and resources for high quality professional development at the District and building levels
- Continue to utilize technology to support student learning
- Increase enrichment and intervention opportunities for students K-12

DISTRICT GOALS AND STRATEGIES FOR 2011-2012

Objective I: Provide a comprehensive educational program as described in the district's mission, vision and philosophy.

Goal 1: Vision

Establish a vision for Northwest Local School District that will support the programs needed to meet the expectations established by the district's mission, vision, and philosophy.

Goal 2: Academic Achievement

Strategy 2.A (Pre K -5)

Develop and implement effective Pre – K and elementary grade programs.

Strategy 2.B (Middle School)

Develop and implement effective middle grade programs.

Action Steps

2.B.1 Implement and monitor content based teams at grades 7 and 8.

Strategy 2.C (High School/Adult Programs)

Develop and implement effective high school and adult programs.

Action Steps

2.C.1 Implement a blended learning pilot.

2.C.2 Investigate innovative learning environments for 21st Century learning.

Strategy 2.D (Special Programs)

Develop and implement effective programs for special students including, but not limited to, LEP, SWD and Gifted.

Strategy 2.E (Co-Curricular/Extra Curricular Programs)

Develop and implement effective co-curricular and extracurricular programs.

Goal 3: Support Services

Strategy 3.A (Transportation)

Develop and implement an effective student transportation system.

Strategy 3.B (Food Service)

Develop and implement an effective food service program.

Strategy 3.C (Facilities Maintenance)

Develop and implement an effective facilities maintenance program.

Strategy 3.D (Administrative Technology)

Develop and implement an effective administrative technology system.

Objective II: Met all state and federal accountability standards, including RttT and all state and federal program mandates.

Goal 4: Academic Achievement

By the end of SY2011-12, students in the Northwest Local School District will, at a minimum, meet or exceed State goals with all identified subgroups, achieving AYP. The district will earn an excellent rating based on State indicators and/or performance index. The composite value added reports will show that each school demonstrates at minimum a full year's worth of growth for each quintile of students.

Strategy 4.A (Curriculum/Instruction Alignment)

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

Actions Steps

4.A.1 Revise K-8 and create 10-12 essential understanding documents to align with Common Core Standards. (RttT-B)

4.A.2 Review and align district common assessments with Common Core Standards (RttT-B)

4.A.3 Monitor Alignment of lessons with current essential understandings. K-8

4.A.4 Require grade/subject based Teacher Based Teams that utilize common protocols K-12.

Strategy 4.B (RTI)

Implement and monitor the Response to Intervention (RTI) Framework throughout the district.

Action Steps

- 4.B.1 Utilize, monitor and respond to data from research based assessment instruments including systems for progress monitoring (id: DIBELS, AIMS).
- 4.B.2 Provide targeted intervention programs (tutoring and other supports).
- 4.B.3 Continue implementation of components of RTI.
- 4.B.4 Utilize research-based intervention materials.
- 4.B.5 Maintain a district-wide intervention library.
- 4.B.6 Develop district –wide intervention library.
- 4.B.7 Provide instructional coaching on components of RTI through the continuation of the district RTI team.
- 4.B.8 Provide transition programs (Pre K- K, 2-3, 5-6, 8-9)
- 4.B.9 Continue full implementation of the targeted student tracking system.
- 4.B.10 Provide public school preschool.
- 4.B.11 Conduct preschool and kindergarten screenings.
- 4.B.12 Provide technology to support LEP students.
- 4.B.13 Reduce class size in grades 1-3
- 4.B.14 Identify factors causing district not to achieve AMAO for LEP students.
- 4.B.15 Analyze KEP performance data.

Strategy 4.C (Professional Development)

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

Action Steps

- 4.C.1 Implement new Building Leadership Team (BLT) model.
- 4.C.2 Provide structures for professional development and collaboration (ie: early release, release time, summer pay)
- 4.C.3 Utilize instructional coaches, specialists and BLT members to assist teachers in implementing research based strategies aligned to the Northwest Common Language of Instruction. (RttT-D)
- 4.C.4 Provide professional development to BLT members on the Northwest Common Language of Instruction. (RttT-D)
- 4.C.5 Support administrators on how to teach and reinforce effective instructional practices aligned to the Northwest Common Language of Instruction. (RttT-D)
- 4.C.6 Evaluate alignment of current principal and teacher evaluation system and begin developing proposed revisions to the current system including a measure of student growth. (RttT-D)
- 4.C.7 Investigate available Instructional Improvement System (IIS) and select the tool that will be used in NWLSD. (RttT-D)
- 4.C.8 Provide paraprofessional training to maintain highly qualified instructional paraprofessionals.
- 4.C.9 Recruit highly qualified teachers.
- 4.C.10 Support a local LPDC.
- 4.C.11 Document Status of HQT.
- 4.C.12 Provide professional development to maintain HQT status.
- 4.C.13 Develop Individualized plans for teachers identified as non-HQT.
- 4.C.14 Demonstrate annual measurable objectives in meeting HQT requirements.
- 4.C.15 Ensure the equitable distribution of highly qualified teachers.
- 4.C.16 Professional development for teachers of LEP students.
- 4.C.17 Allocate resources to ensure HQT status of all teachers and paraprofessionals.

Goal 5: Culture and Climate

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

Strategy 5.A (Support Programs)

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

Action Steps

- 5.A.1 Continue elementary alternative programs.
- 5.A.2 Continue utilizing a district Student Support Team.
- 5.A.3 Continue Middle School Transition teams, Eagles' Gate and Northwest Passage to reduce suspension and expulsion rates; and provide supports for students and families in transition.
- 5.A.4 Provide services and assistance to homeless students.
- 5.A.5 Monitor and respond to gaps in suspension/expulsion rates between identified sub-groups.
- 5.A.6 Maintain a district family and civic engagement team that supports collaboration throughout the school community.
- 5.A.7 Provide resources, information and training to parents that will contribute to the academic, emotional and social success of their child.
- 5.A.8 Continue to seek input from the community on critical district issues through surveys, focus groups, community members on all study teams and continuation of financial advisory and budget teams.
- 5.A.9 Continue to improve the information flow to the community, including but not limited to increasing parent and community contact files.

Strategy 5.B (Culturally Responsive Practices)

Provide and monitor high quality professional development for all staff on implementing Culturally Responsive Practices (CRP).

Action Steps

- 5.B.1 Continue district CRP team with representation from each building.
- 5.B.2 Participate in redesigned regional Developing Inclusive School Consortium (DISC).
- 5.B.3 Develop a resource library of student/staff activities/power-points, articles and make it accessible to all staff.
- 5.B.4 Implement and monitor technical solutions identified at all schools to reduce the number of AYP subgroup suspensions and expulsions and the AYP subgroups achievement gap specifically African American and Economically Disadvantaged.
- 5.B.5 Expand access to honors and AP programs for students in AUYP subgroups.

Goal 6: Academic Rigor

The Northwest Local School District will increase the academic rigor in all areas of the curriculum in order to adequately prepare students for career and college paths.

Strategy 6.A (21st Century Skills)

Embed 21st century skills in all areas of the curriculum in order prepare students for post-secondary options.

Action Steps

- 6.A.1 Require differentiation in all core content to include opportunities for enrichment as standard instructional practice.
- 6.A.2 Continue to expand the Career and College Readiness initiative embedding the career scope and sequence in all 6-12 English/Language Arts classes. (RttT-B)
- 6.A.3 Study the expansion of the Career and College Readiness initiative in grades 3-5. (RttT-B)
- 6.A.4 Implement the ACT quality Core end of course assessment pilot in English and Geometry. (RttT-B)

6.A.5 Implement the ACT Assessment Program using the Explore, Plan and Practice ACT in grades 8-11. (RttT-B)

6.A.6 Continue the existing elementary, middle and high school enrichment programming.

Objective III: Provide the financial resources and physical facilities to meet the needs of all students.

Goal 7:

The Northwest Local School District will continue three-year budget planning to reduce the rate of increase in district expenditures.

Strategy 7.A (Reduce Spending)

Develop expenditure reduction plans that meet the requirements of the district's budget plan scenarios.

Action Steps

7.A.1 Complete the development of the expenditure reduction plans for FY2013 and FY2014 as outlined in the "Plan B" reduction plan adopted by the Board of Education on April 25, 2011.

7.A.2 Develop an expenditure reduction plan based on the assumption that an operating levy does not pass in November 2011.

7.A.3 Develop an expenditure reduction plan based on the assumption that an operating levy does not pass in November 2011 or March 2012.

7.A.4 Develop an expenditure reduction plan based on the assumption that an operating levy does not pass in November 2011, March 2012 or November 2012.

7.A.5 Implement Self-Insured Worker Comp program.

7.A.6 Study possible changes in the health care coverage plans to reduce expenditures.

Strategy 7.B (Facilities)

Examine the cost effectiveness of current facilities.

Action Steps

7.B.1 Project cost savings as part of the NGR expansion study.

7.B.2 Continue facility study.

Goal 8:

The Northwest Local School District will provide additional revenues for all programs.

Strategy 8.A (Tax Revenues)

Increase tax revenue

Action Steps

8.A.1 Complete Facilities and Bond Issue Study

8.A.2 Pass an operating levy in November 2011 or March 2012.

Strategy 8.B (Alternative Funding Sources)

Increase revenue from grants and other sources.

Action Steps

8.B.1 Continue Medicaid School Program

8.B.2 Continue the RttT plan.

8.B.3 Improve communication among staff members regarding grant opportunities.

CURRICULUM AND INSTRUCTION

Curriculum work centers on student attainment on state academic content standards in mathematics, English language arts, social studies and science. All work is organized by a two year process of Year 1: knowing and planning with the academic content standards and Year 2: teaching and assessing with the academic content standards.

Formative local assessments have been developed for all core subjects in grades 3-10 and are administered by all teachers. The data from these assessments is used to refine teaching and provide intervention and enrichment for students. The performance of students in various AYP subgroups is particularly studied.

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

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

The District is focused on its goal of improving student achievement. It continues to evaluate the programming needs of its diverse population with the goal of becoming an excellent District and meeting the needs of ALL students.

BUSINESS-SCHOOL PARTNERSHIP PROGRAM

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

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

LONG-RANGE BUILDING AND MAINTENANCE PLANS

The District maintains a five year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance check list. This five year plan provides the District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection of costs for these projects. Beginning in spring 2008, the District began a renovation 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. Budgetary basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from implementation.

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are managed at the object account level within a function and fund. All purchase order requests must be approved by the individual program managers and certified by the Treasurer and Business Manager; necessary funds are then encumbered and purchase orders are released to vendors.

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

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

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

FINANCIAL CONDITION

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

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses.

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

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

As part of this report, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2011 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 \$198,962 for the year ended June 30, 2011.

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 Ohio Casualty 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 Argonaut provides our liability insurance and insures our fleet of vehicles.

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

The Treasurer and the District plumber are covered with performance bonds from the Cincinnati Insurance Company in the amount of \$20,000 each. The District used the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries through fiscal year 2011. The District will be self-insured for workers compensation beginning July 1, 2012.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The Clark, Schaeffer, Hackett & Co.'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. The District is contracted with an IPA through fiscal year 2015 for the annual audit.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. 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, 2010. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2011, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2011 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the District's Treasurer's Department and the Ohio Auditors, Local Government Services Division. 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,



Randall R. Bertram
Treasurer/CFO

Principal officials as of 6/30/11

Elected Officials

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

Administrative Office Administrators

J. Richard Glatfelter	Superintendent
Mark Farmer	Assistant Superintendent for Curriculum Services
Andrew Jackson	Director of Curriculum Services
Daniel Lawler	Assistant Director of Business Services
Pauletta Crowley	Asst. Director of Community & Adm Services
Roger Argalas	Assistant Director of Student Services
Gregory Hester	Director of Human Resources
Traci Rea	Asst. Director of Classified Staff & Prof. Dev.
Jennifer Blust	Asst. Director of Curriculum Svcs & Federal Projects
Fran Morrison	Asst. Director of Curriculum & Instr. Services
Randall R. Bertram	Treasurer/CFO
Kris Lankford	Assistant Treasurer

District Supervisors

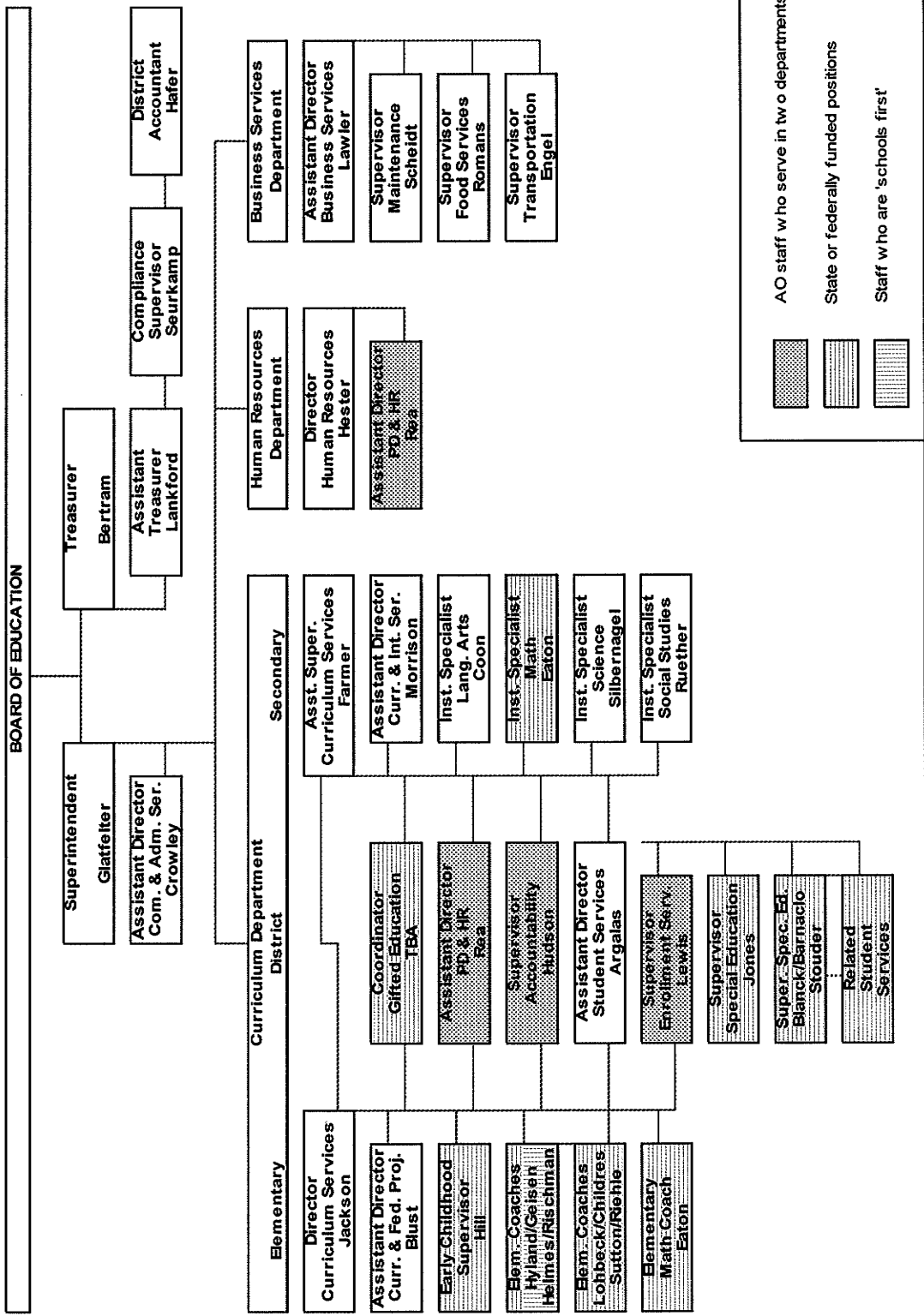
Andreas Scheidt	Maintenance
Robert Engel	Transporation
LaDonna Stouder	Special Education
Mary Barnaclo	Special Education
Sandy Blanck	Special Education
Kimberly Jones	Special Education
Cheryl Romans	Food Services
Daniel Hudson	Instructional Accountability Services
Grace Seurkamp	Payroll/Compliance
Kenneth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




Curriculum Instructional Specialists and Coordinators

Mary Geisen	Elementary
Kathy Hyland	Elementary
Patricia Coon- Knochelmann	Secondary
Shonda Moore	Health Services
Barbara Hill	Early Childhood
Gail Davis	Secondary
Chad Packer	Secondary
Kim Eaton	Elementary/Secondary
Chris Rabold	Elementary Library
Darrell Yater	Secondary
Melinda Kelly	Gifted

NORTHWEST LOCAL SCHOOL DISTRICT ADMINISTRATIVE CENTER FLOW CHART: EFFECTIVE AUGUST 1, 2010

07-22-11



 AO staff who serve in two departments
 State or federally funded positions
 Staff who are 'schools first'

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, 2010

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.



Linda C. Danson

President

Jeffrey R. Enner

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



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, 2010

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

President

Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Northwest Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the "School District") as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18, during the year ended June 30, 2011, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison information on pages 3 through 11 and 48 through 50, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 22, 2011

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2011
(Unaudited)**

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, 2011. 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.

Financial Highlights

Key financial highlights for 2011 are as follows:

- Net assets of governmental activities increased \$6,446,907 which represents an increase from 2010.
- General revenues accounted for \$84,800,927 in revenue or 80% of all revenues. Program specific revenues in the form of charges for services, grants or contributions accounted for \$21,108,787 or 20% of total revenues of \$105,909,714.
- The District had \$99,462,807 in expenses related to governmental activities; \$21,108,787 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$84,800,927 were also used to provide for these programs.

Overview of the Financial Statements

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

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole 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 non-major funds presented in total in one column. The General Fund is the only major fund of the District.

Governmental-wide Financial Statements

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 2011?" The *Government-wide Financial Statements* 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.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2011
(Unaudited)**

These 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.

In the Government-wide Financial Statements, the District consists of Governmental activities which are reported here including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Fund Financial Statements

Information about the District's major funds is presented in the Fund Financial Statements (see tables of contents). 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 funds financial statements focus on the District's most significant fund.

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.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

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

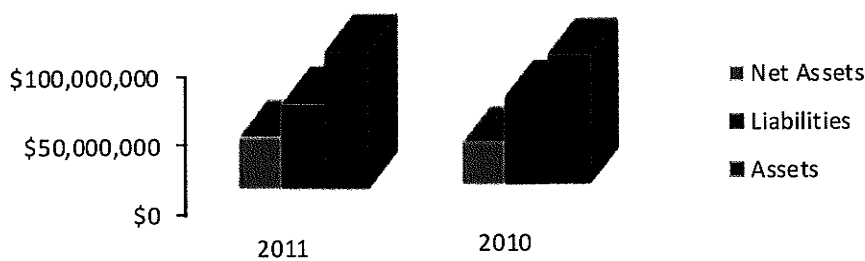
**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2011
(Unaudited)**

The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table I provides a summary of the District's net assets for fiscal year 2011 compared to fiscal year 2010:

Table I
Net Assets

	Governmental Activities	
	2011	2010
Assets:		
Current and Other Assets	\$75,626,648	\$73,638,036
Capital Assets	23,104,082	23,729,553
Total Assets	98,730,730	97,367,589
Liabilities:		
Other Liabilities	38,300,001	42,081,750
Long-Term Liabilities	22,396,287	23,698,306
Total Liabilities	60,696,288	65,780,056
Net Assets;		
Invested in Capital Assets, Net of Related Debt	5,225,512	4,824,453
Restricted	5,117,281	4,199,694
Expendable Endowment	13,707	15,707
Nonexpendable Endowment	79,000	79,000
Unrestricted	27,598,942	22,468,679
Total Net Assets	\$38,034,442	\$31,587,533



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the District's assets exceeded liabilities by \$38,034,442.

At year-end, capital assets represented 24% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2011, was \$5,225,512. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may be used to liquidate these liabilities.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2011
(Unaudited)**

A portion of the District's net assets, \$5,117,281 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current and other assets increased due to accounts receivables, intergovernmental receivables and property tax receivables. The increase in governmental activities receivables was the result of outstanding invoices, America Recovery and Reinvestment Act grant revenues and an increase in anticipated property tax revenue.

Table 2 shows the changes in net assets for fiscal years 2011 and 2010.

Table 2
Changes in Net Assets

	Governmental Activities	
	2011	2010
Revenues:		
Program Revenues		
Charges for Services	\$4,925,256	\$4,897,104
Opening Grants, Contributions	16,183,531	15,592,209
Capital Grants and Contributions	0	32,008
General Revenues;		
Property Taxes	46,423,617	41,597,817
Grants and Entitlements	34,570,047	33,399,642
Other	3,807,263	3,866,954
Total Revenues	105,909,714	99,385,734
Program Expenses;		
Instruction	52,123,019	52,481,465
Support Services;		
Pupil and Instructional staff	13,397,515	12,033,309
Administrative, Board of		
Education, Fiscal and Business	8,895,318	8,043,253
Operations and Maintenance	7,905,720	7,821,491
Pupil Transportation	5,248,647	5,078,256
Central	1,783,588	1,970,404
Operation of Non-instructional Services	7,231,875	6,746,827
Extracurricular Activities	2,009,970	1,861,932
Interest and Fiscal Charges	867,155	915,785
Total Program expenses	99,462,807	96,952,722
Change in Net Assets	6,446,907	2,433,012
Net Assets Beginning of Year	31,587,535	29,154,521
Net Assets End of Year	\$38,034,442	\$31,587,533

**Northwest Local School District
 Management's Discussion and Analysis
 For the Fiscal Year ended June 30, 2011
 (Unaudited)**

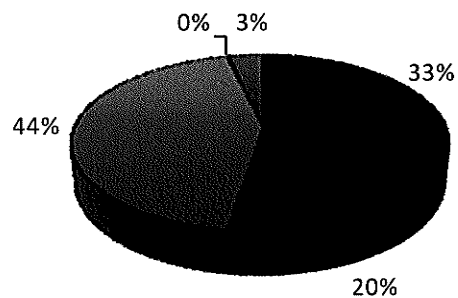
Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general, debt service, and capital projects purposes and grants and entitlements comprised 77% of the District's revenues for governmental activities.

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

Thus Ohio 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 44% of revenue for governmental activities for the District in fiscal year 2011. The District's reliance upon tax revenues is demonstrated by the following graph:

<u>Revenue Sources</u>	<u>2011</u>	<u>Percent of Total</u>
General Grants	\$34,570,047	32.64%
Program Revenues	21,108,787	19.93%
General Tax Revenues	46,423,617	43.83%
Investment Earnings	198,962	0.19%
Other Revenues	3,608,301	3.41%
	<u>\$105,909,714</u>	<u>100.00%</u>



Instruction comprises 52% of governmental program expenses. Support services expenses were 38% of governmental program expenses. Interest and all other expenses were 10%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

General revenues increased mainly due to an increase in grants and entitlements, which was primarily due to an increase in grant monies received in 2011 as compared to 2010 and an increase in taxes revenues collection received in 2011 and 2010. Total expenses increased mainly due to an increase in support services costs which was the result of general inflationary factors.

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.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2011
(Unaudited)**

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$52,123,019	\$52,481,465	(\$45,761,743)	(\$44,231,658)
Support Services				
Pupil and Instructional Staff	13,397,515	12,033,309	(11,501,794)	(10,532,656)
Administrative, Board of				
Education, Fiscal and Business	8,895,318	8,043,253	(7,557,840)	(7,048,665)
Operations and Maintenance	7,905,720	7,821,491	(5,294,389)	(5,909,791)
Pupil Transportation	5,248,647	5,078,256	(5,146,005)	(4,573,760)
Central	1,783,588	1,970,404	(1,758,047)	(1,934,652)
Operation of Non-Instructional Services	7,231,875	6,746,827	753,061	(68,587)
Extracurricular Activities	2,009,970	1,861,932	(1,220,108)	(1,215,847)
Interest and Fiscal Charges	867,155	915,785	(867,155)	(915,785)
Total Expense	<u>\$99,462,807</u>	<u>\$96,952,722</u>	<u>(\$78,354,020)</u>	<u>(\$76,431,401)</u>

The District's Funds

The District has one major governmental fund: the General Fund. Assets of the General Fund comprised \$61,360,801 (80%) of the total \$76,298,494 governmental fund assets.

General Fund: Fund balance at June 30, 2011 was \$25,218,431 including \$24,609,553 of unassigned balance. The primary reason for the increase in fund balance was due to a decrease in special instruction expenditures which was the result of using grant (ARRA) funds to cover special instruction.

General Fund Budgeting Highlights

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

During the course of fiscal year 2011, the District amended the general fund budget four times, however, they were not 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 changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$79,309,463, compared to original budget estimates of \$77,714,648. Of the \$1,594,815 difference, most was due to conservative estimates for taxes and intergovernmental revenue.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2011
(Unaudited)**

The District's ending unobligated cash balance was \$16,543,714.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011, the District had \$23,104,082 invested in land, buildings and improvements and equipment. Table 4 shows fiscal year 2011 balances compared to fiscal year 2010.

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

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Land	\$3,668,199	\$3,668,199
Buildings and Improvements	17,068,658	18,050,952
Equipment	<u>2,367,225</u>	<u>2,010,402</u>
Total Net Capital Asset	<u>\$23,104,082</u>	<u>\$23,729,553</u>

The decrease in capital assets is due to total depreciation expense exceeding total additions for classroom equipment.

See Note 6 to the basic financial statements for more details on the District's capital assets.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2011
(Unaudited)**

Debt

At June 30, 2011, the District had \$18,191,502 in bonds and leases outstanding, \$1,070,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Refunded Bonds:		
Current Interest Bonds	\$13,935,000	\$14,135,000
Capital Appreciation Bonds	720,000	720,000
Accretion of Interest	312,932	247,304
Premium on Refunded Bonds	383,570	420,100
1998 School Improvements	<u>2,840,000</u>	<u>3,630,000</u>
 Total Bonds	 <u>\$18,191,502</u>	 <u>\$19,152,404</u>

See Note 7-8 to the basic financial statements for further details on the District's debt.

For the Future

On June 30, 2011, Governor Kasich signed HB 153, the state's biennium budget bill into law. This bill has significant impact to the district's future finances. The impact of this bill is a decrease in in state funding for the District in fiscal year 2012 and a slight increase in 2013, however, the Governor has indicated that he will prepare a new school funding model for fiscal year 2012 and this could affect the original moderate increase for fiscal year 2013. At this time we do not know the details of the changes or the impact that these changes will have on our future state funding. This uncertainty could have an impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be closely monitored.

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

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

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2011
(Unaudited)**

Contacting the District's Financial Management

This 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 any questions about this report or need additional financial information, contact the Treasurer at Northwest Local School District, 3240 Banning Road, Cincinnati, Ohio 45239.

Northwest Local School District
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$23,320,399
Accounts Receivable	61,621
Inventory Held for Resale	41,684
Intergovernmental Receivable	6,910,045
Deferred Charges	144,480
Property Taxes Receivable	45,148,419
Capital Assets:	
Land	3,668,199
Depreciable Capital Assets, Net	<u>19,435,883</u>
Total Assets	<u>98,730,730</u>
Liabilities:	
Accounts Payable	1,343,740
Accrued Wages Payable	9,797,038
Unearned Revenue	26,839,191
Matured Compensated Absences Payable	255,296
Accrued Interest Payable	64,736
Due Within One Year	1,509,457
Due Within More Than One Year	<u>20,886,830</u>
Total Liabilities	<u>60,696,288</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	5,225,512
Restricted for:	
Debt Service	1,468,063
Other Purposes	3,649,218
Expendable Endowment	13,707
Noneexpendable Endowment	79,000
Unrestricted	<u>27,598,942</u>
Total Net Assets	<u>\$38,034,442</u>

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2011

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$39,599,806	\$917,484	\$2,290,780	(36,391,542)
Special	11,040,986	427,368	2,099,329	(8,514,289)
Vocational	85,647	0	0	(85,647)
Student Intervention Services	1,351,647	296,795	326,385	(728,467)
Other	44,933	0	3,135	(41,798)
Support Services:				
Pupils	5,918,209	23,810	345,346	(5,549,053)
Instructional Staff	7,479,306	0	1,526,565	(5,952,741)
Board of Education	131,907	0	0	(131,907)
Administration	6,071,446	0	1,221,669	(4,849,777)
Fiscal	2,091,931	0	115,809	(1,976,122)
Business	600,034	0	0	(600,034)
Operation and Maintenance of Plant	7,905,720	809,126	1,802,205	(5,294,389)
Pupil Transportation	5,248,647	57,404	45,238	(5,146,005)
Central	1,783,588	0	25,541	(1,758,047)
Operation of Non-Instructional Services	7,231,875	1,603,407	6,381,529	753,061
Extracurricular Activities	2,009,970	789,862	0	(1,220,108)
Interest and Fiscal Charges	867,155	0	0	(867,155)
Total Governmental Activities	\$99,462,807	\$4,925,256	\$16,183,531	(78,354,020)

General Revenues:	
Property Taxes Levied for:	
General Purposes	41,222,092
Debt Service Purposes	1,953,476
Capital Projects Purposes	3,248,049
Grants and Entitlements not Restricted to Specific Programs	34,570,047
Gifts and Donations not Restricted to Specific Programs	152,446
Payment in Lieu of Taxes	3,217,041
Investment Earnings	198,962
Miscellaneous	238,814
Total General Revenues	84,800,927
Change in Net Assets	6,446,907
Net Assets at Beginning of Year	31,587,535
Net Assets at End of Year	\$38,034,442

See accompanying notes to the basic financial statements

Northwest Local School District
 Balance Sheet
 Governmental Funds
 June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$17,575,368	\$5,645,031	\$23,220,399
Receivables:			
Property Taxes	39,932,462	5,215,957	45,148,419
Intergovernmental	2,884,780	4,025,265	6,910,045
Accounts	51,865	9,756	61,621
Interfund Receivable	916,326	0	916,326
Inventory Held for Resale	0	41,684	41,684
Total Assets	\$61,360,801	\$14,937,693	\$76,298,494
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$396,771	\$939,719	\$1,336,490
Accrued Wages Payable	9,071,261	725,777	9,797,038
Interfund Payable	0	916,326	916,326
Deferred Revenue	26,419,042	4,546,676	30,965,718
Matured Compensated Absences Payable	255,296	0	255,296
Total Liabilities	36,142,370	7,128,498	43,270,868
Fund Balances:			
Nonspendable	0	120,684	120,684
Restricted	0	4,130,877	4,130,877
Committed	54,549	3,699,071	3,753,620
Assigned	554,329	0	554,329
Unassigned	24,609,553	(141,437)	24,468,116
Total Fund Balances	25,218,431	7,809,195	33,027,626
Total Liabilities and Fund Balances	\$61,360,801	\$14,937,693	\$76,298,494

See accompanying notes to the basic financial statements

Northwest Local School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2011

Total Governmental Fund Balances		\$33,027,626
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 assets consist of:		
Land	3,668,199	
Capital assets	64,527,351	
Accumulated depreciation	<u>(45,091,468)</u>	
Net captital assets		23,104,082
Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	2,887,808	
Intergovernmental	<u>1,238,719</u>	
		4,126,527
The internal service fund is used by management to charge the costs of workers compensation claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		
		92,750
Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis.		
		144,480
In the statement of activities, interest is accrued on outstanding general obligation bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(64,736)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds and leases payable	(18,191,502)	
Compensated absences	<u>(4,204,785)</u>	
		<u>(22,396,287)</u>
Net Assets of Governmental Activities		<u>\$38,034,442</u>

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$41,656,112	\$4,840,550	\$46,496,662
Payment in Lieu of Taxes	3,217,041	0	3,217,041
Intergovernmental	34,996,386	14,958,032	49,954,418
Interest	197,365	1,597	198,962
Tuition and Fees	1,699,249	0	1,699,249
Extracurricular Activities	87,638	526,690	614,328
Customer Services	286,784	1,617,969	1,904,753
Rent	706,926	0	706,926
Gifts and Donations	0	95,113	95,113
Miscellaneous	123,722	115,092	238,814
Total Revenues	82,971,223	22,155,043	105,126,266
Expenditures:			
Current:			
Instruction:			
Regular	37,264,484	1,914,998	39,179,482
Special	9,040,198	1,985,443	11,025,641
Vocational	43,321	41,826	85,147
Student Intervention Services	1,257,054	178,745	1,435,799
Other	9,124	2,869	11,993
Support Services:			
Pupils	5,568,851	412,450	5,981,301
Instructional Staff	6,017,547	1,419,595	7,437,142
Board of Education	131,907	0	131,907
Administration	5,156,085	841,503	5,997,588
Fiscal	1,910,743	174,186	2,084,929
Business	605,131	0	605,131
Operation and Maintenance of Plant	5,749,461	1,976,495	7,725,956
Pupil Transportation	4,791,013	322,813	5,113,826
Central	1,723,031	51,611	1,774,642
Operation of Non-Instructional Services	182,622	7,222,410	7,405,032
Extracurricular Activities	1,406,849	557,603	1,964,452
Capital Outlay	0	36,483	36,483
Debt Service:			
Principal Retirement	0	990,000	990,000
Bond Issuance Costs	0	829,008	829,008
Total Expenditures	80,857,421	18,958,038	99,815,459
Excess of Revenues Over Expenditures	2,113,802	3,197,005	5,310,807
Other Financing Sources and Uses:			
Transfers In	0	65,000	65,000
Transfers (Out)	(165,000)	0	(165,000)
Total Other Financing Sources (Uses)	(165,000)	65,000	(100,000)
Net Change in Fund Balances	1,948,802	3,262,005	5,210,807
Fund Balances at Beginning of Year, Restated	23,269,629	4,547,190	27,816,819
Fund Balances at End of Year	\$25,218,431	\$7,809,195	\$33,027,626

See accompanying notes to the basic financial statements

Northwest Local School District
 Reconciliation of the Change in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds		\$5,210,807
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>		
Capital asset additions	984,387	
Depreciation expense	<u>(1,609,858)</u>	
Excess of capital outlay under depreciation expense		(625,471)
<p>Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.</p>		
Delinquent Property Taxes	(73,045)	
Intergovernmental	<u>856,493</u>	
		783,448
<p>The internal service fund is used by management to charge the costs of workers compensation claims to individual funds. The net income of the internal service fund is reported with governmental activities.</p>		
		92,750
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds.</p>		
Amortization of bond premium	36,530	
Amortization of issuance costs	(13,135)	
Accretion on bonds	(65,628)	
Decrease in accrued interest	<u>4,086</u>	
		(38,147)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, this amount consisted of:</p>		
Bond principal retirement	<u>990,000</u>	
		990,000
<p>Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:</p>		
Decrease in compensated absences	33,520	
Total additional expenditures	<u>33,520</u>	
		33,520
Change in Net Assets of Governmental Activities		<u><u>\$6,446,907</u></u>

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Fund Net Assets
June 30, 2011

	<u>Internal Service</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$100,000</u>
Liabilities:	
Accounts Payable	<u>7,250</u>
Net Assets:	
Unrestricted	<u><u>\$92,750</u></u>

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	Internal Service
Operating Expenses:	
Contract Services	<u>\$7,250</u>
Total Operating Expenses	<u>7,250</u>
Operating Income (Loss)	<u>(7,250)</u>
Transfers	100,000
Net Change in Net Assets	<u>92,750</u>
Net Assets at Beginning of Year	<u>0</u>
Net Assets at End of Year	<u><u>\$92,750</u></u>

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Internal Service</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	<u>\$100,000</u>
Net Increase in Cash and Cash Equivalents	100,000
Cash and Cash Equivalents at Beginning of Year	<u>0</u>
Cash and Cash Equivalents at End of Year	<u>\$100,000</u>
Operating Loss	(\$7,250)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Increase in Accounts Payable	<u>7,250</u>
Net Cash Provided by Operating Activities	<u>\$0</u>

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2011

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$141,972</u>
Liabilities:	
Accounts Payable	555
Undistributed Monies	18,014
Other Liabilities	<u>123,403</u>
Total Liabilities	<u>\$141,972</u>

See accompanying notes to the basic financial statements

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Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1 – 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 52 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, Ross Township, on its northern boundary line.

The District currently has approximately 9,515 students enrolled in eight elementary schools, three middle schools, and two senior high schools. The District has two career centers serving junior and senior students. There are 1,179 full time employees to provide services to the students. The District is the 2nd largest public school district in Hamilton County and the 18th largest of all school districts in Ohio.

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 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.

This District is associated with two organizations which are defined as jointly governed organizations. These organizations are the Southwest Ohio Computer Association and the Butler Technology and Career Development Schools. These organizations are presented in Note 16.

The following activities are included within the reporting entity:

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 2 – 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 most significant of the District's accounting policies are described below.

Measurement Focus

Government-wide Financial Statements

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

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 government-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues 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 revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operation 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 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.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets.

Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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 of 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 is the District's major governmental fund:

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.

Proprietary Funds

Proprietary funds are used to account for the District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services financed or recovered primarily through user charges. The District created an internal service fund for the operation of its self-insured workers' compensation activities which begins in fiscal year 2012.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. Agency funds are custodial 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 assets and liabilities generated by student managed 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.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the 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 4). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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, 2011, but which were levied to finance fiscal year 2012 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.

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Payment in Lieu of Taxes

Payments in lieu of taxes are revenues received from other governmental entities as per an agreement through a tax incremental financing contract between the District and other governmental agency such as a township or city.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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.

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.

Equity in Pooled Cash and Investments

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.

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.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during the current fiscal year amounted to \$197,365 credited to the general fund and \$1,597 credited to other governmental funds.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2011. 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 on June 30, 2011.

For purposes of the statement of cash flows, 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.

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. Inventories consist of donated food, purchased food and consumable supplies held and are recorded as expenses when consumed on the government-wide financial statements and as expenditures when consumed on the fund financial statements.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Capital Assets

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

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

All reported capital assets are depreciated, except land. 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:

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

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.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, liabilities and expenditures for compensated absences are recognized when due. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

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

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the 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. Of the \$5,117,281 in restricted net assets, none were restricted by enabling legislation.

Interfund Activity

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. 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 activities column of the Statement of Net Assets.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

As a general rule the effect of internal activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned – Amounts in the assigned fund balance classifications are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classification. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Estimates

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 3 – Equity in Pooled Cash and Investments

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed as "Equity in Pooled Cash and Investments."

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 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) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (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.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pooled securities. As of June 30, 2011, the District’s bank balance of \$330,679 was covered by FDIC.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorized 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.

Investments

As of June 30, 2011, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
Money Market Funds	\$8,699,346	0.00
STAROhio	35,100	0.14
Repurchase Agreement	484,646	0.00
Federal Home Loan Bank - Discount Note	1,898,309	1.49
Freddie Mac	6,475,104	2.65
Fannie Mae	4,047,922	1.50
U. S. Discount Commercial Paper	1,499,970	0.01
U. S. Treasury Bills	324,571	0.84
	<u>\$23,464,968</u>	
Portfolio Weighted Average Maturity		1.12

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

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District’s investments in Money Market Funds, Federal Home Loan Bank – Discount Note, Freddie Mac, Fannie Mae were rated AAA by Standard & Poor’s and Fitch Ratings, and Aaa by Moody’s Investor’s Service. U.S. Discount Commercial Papers were rated

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

A-1 by Standard & Poor's, F1 by Fitch and P-1 by Moody's Investor's Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. U. S. Treasury bills are unrated. Repurchase agreements which are unrated, shall be transacted only through banks located within the State of Ohio with which the Treasurer has signed a master repurchase agreement as required in Ohio Revised Code 135.

Concentration of Credit Risk – The District's investment policy allows investments in U.S. Agencies or Instrumentalities. The District has invested 2% of the District's investments in Repurchase Agreement, 37% in Money Market Funds, 8% in Federal Home Loan Bank – Discount Note, 1% in the U.S. Treasury Bills, 6% in U.S. Discount Commercial Paper, 17% in Fannie Mae and 28% in Freddie Mac.

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

Note 4 – Property Taxes

Real property taxes collected in 2011 were levied in April on the assessed values as of January 1, 2010, 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 every third year. The most recent re-evaluation was completed in January, 2011.

The tangible personal property tax was phased out over a four-year period starting with tax year 2006 and ending with no tax due in 2009 with the exception of local and interchange phone companies. This phase-out applied to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reportable on the 2006 and subsequent year returns was not subject to the personal property tax.

Real property taxes are payable annually or semi-annually. In 2011, if paid annually, payment was due by January 31st. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 31st 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 represents 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, 2011, was \$16,276,000 for General Fund and \$1,908,000 for Other Government Funds, and is recognized as revenue.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

The assessed values upon which the fiscal year 2011 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,616,185,810
Public Utility Personal	35,469,760
Tangible Personal Property	<u>1,260,480</u>
Total	<u><u>\$1,652,916,050</u></u>

Note 5 - Receivables

Receivables at June 30, 2011, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds.

Note 6 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$3,668,199	\$0	\$0	\$3,668,199
Capital Assets, being depreciated:				
Buildings and Improvements	51,441,743	130,304	0	51,572,047
Equipment	<u>12,239,967</u>	<u>854,083</u>	<u>138,746</u>	<u>12,955,304</u>
Totals at Historical Cost	<u>67,349,909</u>	<u>984,387</u>	<u>138,746</u>	<u>68,195,550</u>
Less Accumulated Depreciation:				
Buildings and Improvements	33,390,791	1,112,598	0	34,503,389
Equipment	<u>10,229,565</u>	<u>497,260</u>	<u>138,746</u>	<u>10,588,079</u>
Total Accumulated Depreciation	<u>43,620,356</u>	<u>1,609,858</u>	<u>138,746</u>	<u>45,091,468</u>
Governmental Activities Capital Assets, Net	<u>\$23,729,553</u>	<u>(\$625,471)</u>	<u>\$0</u>	<u>\$23,104,082</u>

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$887,265
Special	2,260
Vocational	3,250
Support Services:	
Pupil	1,254
Instructional Staff	590
Administration	581
Fiscal	3,401
Operations and Maintenance of Plant	296,164
Pupil Transportation	317,526
Central	23,585
Operation of Non-Instructional Services	67,466
Extracurricular Activities	6,516
Total Depreciation Expense	<u>\$1,609,858</u>

Note 7 - Long-Term Liabilities

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

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
Governmental Activities:						
Bonds Payable:						
1998 School Improvement	12/1/2013	\$3,630,000	\$0	\$790,000	\$2,840,000	\$865,000
2005 Refunding Bonds:						
Current Interest Bonds	12/1/2022	14,135,000	0	200,000	13,935,000	205,000
Capital Appreciation Bonds	12/1/2015	720,000	0	0	720,000	0
Accretion of Interest		247,304	65,628	0	312,932	0
Premium on Bonds:						
2005 Refunding Bonds	12/1/2022	420,100	0	36,530	383,570	0
Total Bonds		19,152,404	65,628	1,026,530	18,191,502	1,070,000
Compensated Absences		4,545,902	671,666	757,488	4,460,080	439,457
Total Governmental Activities Long-Term Liabilities		<u>\$23,698,306</u>	<u>\$737,294</u>	<u>\$1,784,018</u>	<u>\$22,651,582</u>	<u>\$1,509,457</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.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

On November 1, 2005, the District advance refunded \$15,380,000 in 1998 School Improvement Bonds that were originally for the purpose of new construction, improvements, renovating, and additions to school facilities. In retiring the bonds, \$590,000 in principal payments were made on the refunding bonds before sending the refunding agent the \$15,380,000 to retire the original debt. The \$584,485 premium on the issuance of the refunding bonds is included on this new debt and will be amortized over the life of the new debt which has a remaining life of 16 years with a final maturity date of December 1, 2022. The refunding bonds are not subject to optional redemption prior to maturity. Of the \$15,380,000 issued, \$14,660,000 represents serial bonds and \$720,000 is capital appreciation bonds.

The bond issues are general obligations 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 expenditures in the Debt Service Fund. Compensated absences will be paid from the General Fund for governmental activities.

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

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

Fiscal Year Ending June 30	1998 School Improvement & Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$1,070,000	\$775,791	\$1,845,791	\$0	\$0	\$0
2013	1,155,000	717,715	1,872,715	0	0	\$0
2014	1,245,000	652,328	1,897,328	0	0	\$0
2015	1,215,000	670,353	1,885,353	0	0	\$0
2016	75,000	481,578	556,578	720,000	660,000	\$1,380,000
2017-2021	8,020,000	1,916,364	9,936,364	0	0	\$0
2022-2023	3,995,000	182,363	4,177,363	0	0	\$0
Total	<u>\$16,775,000</u>	<u>\$5,396,492</u>	<u>\$22,171,492</u>	<u>\$720,000</u>	<u>\$660,000</u>	<u>\$1,380,000</u>

Note 8 – Prior Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2011, \$15,380,000 of bonds outstanding are considered defeased.

Note 9 – Pension Plans

School Employees Retirement System of Ohio

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board.

The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2011, 2010, and 2009 were \$1,916,199, \$1,754,304 and \$1,685,340 respectively, which equaled the required contributions each year.

State Teachers Retirement System of Ohio

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan and disability benefits to members and death and survivor benefits to beneficiaries for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2011, 2010, and 2009 were \$5,678,263, \$5,757,480 and \$5,679,492, respectively; 87% has been contributed for fiscal year 2011 and 100% for fiscal years 2010 and 2009.

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

Note 10 – Post Employment Benefits

School Employees Retirement System of Ohio

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation was .76%. District contributions for the years ended June 30, 2011, 2010 and 2009 were \$104,022, \$95,234 and \$90,286, respectively, which equaled the required contributions each year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2011, the health care allocation was 1.43%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. The statute provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2011, 2010, and 2009 were \$195,726, \$57,641, and \$500,787, respectively.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

State Teachers Retirement System of Ohio

Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan and a Combined Plan that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2011, 2010 and 2009. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2011, 2010, and 2009 were \$405,590, \$411,249, and \$405,678, respectively; 83.29% has been contributed for fiscal year 2011 and 100% for fiscal years 2010 and 2009.

Note 11 – 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 are 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.

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.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 12 – 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 2011, the District contracted with Ohio Casualty Insurance Company for property and Argonaut for general liability insurance.

Professional liability is protected by Argonaut with \$1,000,000 each occurrence, \$3,000,000 aggregate limit.

Vehicles are covered by Argonaut with \$500 deductible for comprehensive and \$500 deductible for collision.

Public official’s bond insurance is provided by Cincinnati Insurance Company. The Treasurer and District Plumber 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 through fiscal year 2011. This rate is calculated based on accident history and administrative costs. The District will be self-insured for workers compensation beginning July 1, 2011.

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

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

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

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

Note 13 – Set-Asides

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

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

	Textbooks	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2010	(\$2,941,098)	\$0
Current Year Set Aside Requirements	\$1,393,354	\$1,393,354
Qualified Disbursements	(\$1,093,354)	(\$952,457)
Current Year Offsets	\$0	(\$440,897)
Total	<u>(\$2,641,098)</u>	<u>\$0</u>

Qualified disbursements and offset credits for capital activity during the year exceeded the amount required for the set-aside. Qualifying disbursements and carryover from prior years for textbooks totaled \$2,941,098.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Effective July 1, 2011, House Bill 30 repealed the State statute requiring school districts to annually set aside funds for acquisition of textbooks and other instructional materials.

Note 14 – Interfund Balances/Transfers

Interfund transactions at June 30, 2011, consisted of the following interfund receivables and interfund payables, transfers in and transfers out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$916,326	\$0	\$0	\$165,000
Other Governmental Funds	0	916,326	65,000	0
Internal Service Fund	0	0	100,000	0
Total All Funds	\$916,326	\$916,326	\$165,000	\$165,000

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

Note 15 – Accountability

The following funds had a deficit in fund balance:

Public School Preschool	\$21,481
IDEA B	945
Title II D	521
Title I	75,757
Early Childhood Special Education	26,101
Drug Free Schools	2,383
Title II A	14,249

The deficit in fund balance was due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 16 – Jointly Governed Organizations

The District is a participant in the Southwest Ohio Computer Association (SWOCA), a computer consortium. SWOCA is a jointly governed organization among a seven county consortium of 43 Ohio school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 43 school districts. The financial statements for SWOCA are available at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 17 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds and all other governmental funds are presented below:

Fund Balance	General	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventory	\$0	\$41,684	\$41,684
Endowment Reserve	0	79,000	79,000
Total Nonspendable	0	120,684	120,684
Restricted for:			
Debt Services	0	1,748,355	1,748,355
Food Service	0	369,977	369,977
Scholarships	0	237,203	237,203
Expendable Endowment	0	13,707	13,707
Career Consultant Grant	0	8,837	8,837
Athletic	0	261,288	261,288
Auxiliary Services	0	6,926	6,926
Data Communications	0	9,635	9,635
Entry Year Teacher Grant	0	5,508	5,508
Education Jobs	0	1,397,655	1,397,655
Race to the Top	0	65,863	65,863
Title III	0	5,923	5,923
Total Restricted	0	4,130,877	4,130,877
Committed to:			
Encumbrances	43,549	0	43,549
Underground Storage Tank	11,000	0	11,000
Capital Projects	0	3,699,071	3,699,071
Total Committed	54,549	3,699,071	3,753,620
Assigned to :			
Encumbrances	553,860	0	553,860
Uniform School Supplies	469	0	469
Total Assigned	554,329	0	554,329
Unassigned (Deficit)	24,609,553	(141,437)	24,468,116
Total Fund Balance	\$25,218,431	\$7,809,195	\$33,027,626

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, enhances the usefulness of fund balance information by providing clarified fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the District’s beginning fund balance:

	<u>General</u>	<u>Other Governmental Funds</u>
Fund Balance at June 30, 2010	\$23,487,691	\$4,329,128
Change in fund classifications	<u>218,062</u>	<u>(218,062)</u>
Restated Fund Balance at June 30, 2010	<u><u>\$23,269,629</u></u>	<u><u>\$4,547,190</u></u>

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Required Supplementary Information



Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2011

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Property Taxes	\$37,218,492	\$38,404,896	\$38,404,912	\$16
Payment in Lieu of Taxes	\$3,215,000	\$3,215,000	\$3,217,041	2,041
Intergovernmental	34,888,029	34,949,418	34,996,386	46,968
Interest	200,000	200,000	205,048	5,048
Tuition and Fees	1,019,500	1,406,442	1,420,519	14,077
Extracurricular	0	0	87,638	87,638
Rent	550,000	705,000	706,926	1,926
Customer Services	346,800	296,630	291,599	(5,031)
Miscellaneous	276,827	132,077	136,209	4,132
Total Revenues	77,714,648	79,309,463	79,466,278	156,815
Expenditures:				
Current:				
Instruction:				
Regular	38,074,301	38,195,058	37,408,095	786,963
Special	7,067,810	9,382,578	9,146,278	236,300
Vocational	26,483	43,600	43,121	479
Student Intervention Services	1,159,351	1,293,456	1,278,182	15,274
Other	14,188	10,188	9,124	1,064
Support Services:				
Pupils	5,823,632	5,875,909	5,645,086	230,823
Instructional Staff	5,904,443	6,273,684	5,897,051	376,633
Board of Education	126,167	286,996	245,311	41,685
Administration	5,181,224	5,255,500	5,126,513	128,987
Fiscal	1,646,024	1,871,910	1,848,513	23,397
Business	315,037	601,970	599,806	2,164
Operation and Maintenance of Plant	7,387,952	5,796,684	5,438,076	358,608
Pupil Transportation	4,757,632	4,981,882	4,939,233	42,649
Central	1,727,693	1,724,167	1,724,167	0
Operation of Non-Instructional Services	199,584	185,524	182,134	3,390
Extracurricular Activities	1,360,803	1,433,124	1,393,957	39,167
Total Expenditures	80,772,324	83,212,230	80,924,647	2,287,583
Excess of Revenues Over (Under) Expenditures	(3,057,676)	(3,902,767)	(1,458,369)	2,444,398
Other Financing Sources (Uses):				
Advances In	600,000	268,081	268,081	0
Proceeds from Sale of Capital Assets	250	750	760	10
Refund of Prior Year Expenditures	15,000	5,000	4,892	(108)
Other Financing Uses	(43,500)	(30,100)	0	30,100
Advances (Out)	(600,000)	(916,372)	(916,326)	46
Transfers (Out)	(150,000)	(255,000)	(255,000)	0
Total Other Financing Sources (Uses)	(178,250)	(927,641)	(897,593)	30,048
Net Change in Fund Balance	(3,235,926)	(4,830,408)	(2,355,962)	2,474,446
Fund Balance at Beginning of Year	18,540,404	18,540,404	18,540,404	0
Prior Year Encumbrances Appropriated	359,272	359,272	359,272	0
Fund Balance at End of Year	\$15,663,750	\$14,069,268	\$16,543,714	\$2,474,446

See accompanying notes to the basic financial statements

Northwest Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2011

Note 1 – Budgetary Process

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

The certificate of estimated resources may be 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 on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2011.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

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

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 for all funds (budget basis) rather than as a commitment or assignment of fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Certain funds accounted for as separate funds internally with legally adopted budgets (budget basis) do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

Northwest Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2011

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$1,948,802
Revenue Accruals	(3,504,945)
Expenditure Accruals	292,046
Transfers (Out)	(90,000)
Advances In	268,081
Advances (Out)	(916,326)
Proceeds from Sale of Capital Assets	760
Refund of Prior Year Expenditures	4,892
Encumbrances	<u>(359,272)</u>
Budget Basis	<u>(\$2,355,962)</u>

Combining Statements and Individual Fund Schedules



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund

The Debt Service Fund is used for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment. The District has only one Debt Service Fund for fiscal year 2011.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities. The District has only one Capital Projects Funds for fiscal year 2011, the Permanent Improvement Fund.

Permanent Fund

The Permanent Fund is used to account for the financial resources that are restricted. Only the income earned can be used for specific purposes. The District only has one Permanent Fund for fiscal year 2011, the Endowment Fund.

Northwest Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$1,797,004	\$1,063,355	\$92,707	\$2,691,965	\$5,645,031
Receivables:					
Property Taxes	0	1,958,656	0	3,257,301	5,215,957
Intergovernmental	4,025,265	0	0	0	4,025,265
Accounts	9,756	0	0	0	9,756
Inventory Held for Resale	41,684	0	0	0	41,684
Total Assets	\$5,873,709	\$3,022,011	\$92,707	\$5,949,266	\$14,937,693
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$723,825	\$0	\$0	\$215,894	\$939,719
Accrued Wages & Benefits	725,777	0	0	0	725,777
Interfund Payable	916,326	0	0	0	916,326
Deferred Revenue	1,238,719	1,273,656	0	2,034,301	4,546,676
Total Liabilities	3,604,647	1,273,656	0	2,250,195	7,128,498
Fund Balances:					
Nonspendable	41,684	0	79,000	0	120,684
Restricted	2,368,815	1,748,355	13,707	0	4,130,877
Committed	0	0	0	3,699,071	3,699,071
Unassigned	(141,437)	0	0	0	(141,437)
Total Fund Balances	2,269,062	1,748,355	92,707	3,699,071	7,809,195
Total Liabilities and Fund Balances	\$5,873,709	\$3,022,011	\$92,707	\$5,949,266	\$14,937,693

Northwest Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$0	\$1,738,046	\$0	\$3,102,504	\$4,840,550
Intergovernmental	14,324,046	227,585	0	406,401	14,958,032
Interest	1,597	0	0	0	1,597
Extracurricular Activities	526,690	0	0	0	526,690
Customer Services	1,617,969	0	0	0	1,617,969
Gifts and Donations	95,113	0	0	0	95,113
Miscellaneous	115,092	0	0	0	115,092
Total Revenues	16,680,507	1,965,631	0	3,508,905	22,155,043
Expenditures:					
Current:					
Instruction:					
Regular	627,533	0	0	1,287,465	1,914,998
Special	1,984,025	0	0	1,418	1,985,443
Vocational	41,826	0	0	0	41,826
Student Intervention Services	178,745	0	0	0	178,745
Other	2,869	0	0	0	2,869
Support Services:					
Pupils	411,950	0	0	500	412,450
Instructional Staff	1,409,426	0	0	10,169	1,419,595
Administration	841,503	0	0	0	841,503
Fiscal	111,534	22,493	0	40,159	174,186
Operation and Maintenance of Plant	1,770,571	0	0	205,924	1,976,495
Pupil Transportation	109,183	0	0	213,630	322,813
Central	27,100	0	0	24,511	51,611
Operation of Non-Instructional Services	7,222,410	0	0	0	7,222,410
Extracurricular Activities	555,603	0	2,000	0	557,603
Capital Outlay	0	0	0	36,483	36,483
Debt Service:					
Principal	0	990,000	0	0	990,000
Interest	0	829,008	0	0	829,008
Total Expenditures	15,294,278	1,841,501	2,000	1,820,259	18,958,038
Excess of Revenues Over/(Under) Expenditures	1,386,229	124,130	(2,000)	1,688,646	3,197,005
Other Financing Sources:					
Transfers In	65,000	0	0	0	65,000
Net Change in Fund Balances	1,451,229	124,130	(2,000)	1,688,646	3,262,005
Fund Balances at Beginning of Year, Restated	817,833	1,624,225	94,707	2,010,425	4,547,190
Fund Balances at End of Year	\$2,269,062	\$1,748,355	\$92,707	\$3,699,071	\$7,809,195

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GENERAL FUND

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

With the implementation of GASB Statement No. 54, certain funds that Northwest Local prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue Funds and have been included with the General Fund in the governmental fund financial statements. Therefore, Northwest Local has only presented the budgetary schedules for these funds:

Uniform School Supplies Fund – accounts for the purchase and sale of school supplies, such as workbooks, as adopted by the Board of Education.

Underground Storage Tank – accounts for local funds which are provided in the event of an underground storage tank leak.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Food Service – To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Career Consultant Grant – To account for all revenues and expenses related to career consultant grant monies. This grant is from Butler Tech which pays for an employee to coordinate between the two districts. This employee coordinates the technology, professional development, transportation and other necessary expenses for the career programs.

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

Auxiliary Service – 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.

Public School Preschool – To account for assistance from the State in paying the cost of a pre-school program for three and four year old students.

Entry Year Teacher Grant – 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.

Educational Jobs Bill – To provide compensation and benefits and other expenses, such as support services to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary or secondary educational and related services.

Race to the Top – To provide for either a new program or expansion of an existing program to support initiatives in the following areas: Standards and Assessments; Using Data to improve Instruction; Grant Teachers and Leaders; and Turning Around the Lowest-Achieving Schools.

IDEA B Special Education – 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 specialist in providing educational services to the handicapped.

NONMAJOR SPECIAL REVENUE FUNDS - continued

Fund Descriptions

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

Title II-D – To account for competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21st century.

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

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

Drug Free Schools – To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

State Fiscal Stabilization - To account for monies which were part of the American Recovery and Reinvestment Act of 2009. This was intended to provide money to school districts to prevent layoffs and cutbacks, with flexibility to use the funds for school modernization and repairs.

Early Childhood Special Education – To account for federal funds received to provide programs to handicapped preschool children.

School Net Professional Development – To account for a limited number of professional development subsidy grants.

Title II-A – To account for federal funds to assist in the cost of personnel hired to reduce class size in kindergarten through third grade.

Special Trust – To provide for donations received that are restricted for purposes that are beneficial to the overall operation of the School District.

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Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Food Services	Career Consultant Grant	Athletic	Auxiliary Service	Public School Preschool
Assets:					
Equity in Pooled Cash and Investments	\$475,848	\$10,069	\$261,457	\$650,144	\$44
Receivables:					
Intergovernmental	233,217	0	0	0	16,198
Accounts	5,744	0	1,283	0	0
Inventory Held for Resale	41,684	0	0	0	0
Total Assets	\$756,493	\$10,069	\$262,740	\$650,144	\$16,242
Liabilities:					
Accounts Payable	\$2,535	\$1,217	\$1,083	\$633,091	\$0
Accrued Wages Payable	342,297	15	369	10,127	16,072
Interfund Payable	0	0	0	0	5,453
Deferred Revenue	0	0	0	0	16,198
Total Liabilities	344,832	1,232	1,452	643,218	37,723
Fund Balances:					
Nonspendable	41,684	0	0	0	0
Restricted	369,977	8,837	261,288	6,926	0
Unassigned	0	0	0	0	(21,481)
Total Fund Balances (Deficit)	411,661	8,837	261,288	6,926	(21,481)
Total Liabilities and Fund Balances	\$756,493	\$10,069	\$262,740	\$650,144	\$16,242

Entry Year Teacher Grant	Educational Jobs Bill	Race to the Top	IDEA-B Special Education	Education Management Information Systems	Title II-D	Title III
\$5,550	\$0	\$36,151	\$27,665	\$0	\$13,612	\$4,690
0	1,397,655	205,628	1,239,845	0	61,417	2,518
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$5,550</u>	<u>\$1,397,655</u>	<u>\$241,779</u>	<u>\$1,267,510</u>	<u>\$0</u>	<u>\$75,029</u>	<u>\$7,208</u>
\$0	\$0	\$5,381	\$10,411	\$0	\$13,610	\$246
42	0	156	135,253	0	10	179
0	0	93,506	427,130	0	56,523	0
0	0	76,873	695,661	0	5,407	860
42	0	175,916	1,268,455	0	75,550	1,285
0	0	0	0	0	0	0
5,508	1,397,655	65,863	0	0	0	5,923
0	0	0	(945)	0	(521)	0
5,508	1,397,655	65,863	(945)	0	(521)	5,923
<u>\$5,550</u>	<u>\$1,397,655</u>	<u>\$241,779</u>	<u>\$1,267,510</u>	<u>\$0</u>	<u>\$75,029</u>	<u>\$7,208</u>

(continued)

Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011
(Continued)

	Title I	Drug Free Schools	State Fiscal Stabilization	Early Childhood Special Education	School Net Professional Development
Assets:					
Equity in Pooled Cash and Investments	\$24,698	\$116	\$0	\$35,019	\$9,635
Receivables:					
Intergovernmental	676,624	4,747	0	72,159	0
Accounts	0	0	0	0	0
Inventory Held for Resale	0	0	0	0	0
Total Assets	\$701,322	\$4,863	\$0	\$107,178	\$9,635
Liabilities:					
Accounts Payable	\$15,731	\$0	\$0	\$32,254	\$0
Accrued Wages Payable	176,380	0	0	4	0
Interfund Payable	252,494	4,747	0	49,392	0
Internal Payable					
Deferred Revenue	332,474	2,499	0	51,629	0
Total Liabilities	777,079	7,246	0	133,279	0
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	9,635
Unassigned	(75,757)	(2,383)	0	(26,101)	0
Total Fund Balances (Deficit)	(75,757)	(2,383)	0	(26,101)	9,635
Total Liabilities and Fund Balances	\$701,322	\$4,863	\$0	\$107,178	\$9,635

Title II A	Special Trust	Total Nonmajor Special Revenue Funds
\$3,443	\$238,863	\$1,797,004
115,257	0	4,025,265
0	2,729	9,756
0	0	41,684
<u>\$118,700</u>	<u>\$241,592</u>	<u>\$5,873,709</u>
\$3,877	\$4,389	\$723,825
44,873	0	725,777
27,081	0	916,326
57,118	0	1,238,719
<u>132,949</u>	<u>4,389</u>	<u>3,604,647</u>
0	0	41,684
0	237,203	2,368,815
<u>(14,249)</u>	<u>0</u>	<u>(141,437)</u>
<u>(14,249)</u>	<u>237,203</u>	<u>2,269,062</u>
<u>\$118,700</u>	<u>\$241,592</u>	<u>\$5,873,709</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, 2011

	Food Services	Career Consultant Grant	Athletic Fund	Auxiliary Service	Public School Preschool
Revenues:					
Intergovernmental	\$2,131,256	\$57,333	\$0	\$2,589,152	\$75,802
Interest	0	0	0	1,597	0
Extracurricular Activities	0	0	526,642	0	0
Customer Services	1,617,969	0	0	0	0
Gifts and Donations	0	0	0	0	0
Miscellaneous	0	0	11,240	2,500	0
Total Revenues	3,749,225	57,333	537,882	2,593,249	75,802
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	0	0	0	96,146
Vocational	0	41,826	0	0	0
Student Intervention Services	0	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupils	0	1,424	0	0	0
Instructional Staff	0	11,645	0	0	0
Administration	0	0	0	0	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	33,398	0	0	0	0
Pupil Transportation	0	0	68,250	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services:	3,527,565	0	0	2,899,246	0
Extracurricular Activities	0	0	555,603	0	0
Total Expenditures	3,560,963	54,895	623,853	2,899,246	96,146
Excess of Revenues Over (Under) Expenditures	188,262	2,438	(85,971)	(305,997)	(20,344)
Other Financing Sources:					
Transfers In	0	0	60,000	0	0
Net Change in Fund Balances	188,262	2,438	(25,971)	(305,997)	(20,344)
Fund Balances (Deficit) at Beginning of Year, Restated	223,399	6,399	287,259	312,923	(1,137)
Fund Balances (Deficit) at End of Year	\$411,661	\$8,837	\$261,288	\$6,926	(\$21,481)

Entry Year Teacher Grant	Educational Jobs Bill	Race to the Top	IDEA-B Special Education	Education Management Information Systems	Title II-D	Title III
\$0	\$1,397,655	\$130,980	\$2,548,898	\$5,000	\$194,380	\$49,702
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,397,655	130,980	2,548,898	5,000	194,380	49,702
0	0	1,050	0	0	100,388	0
0	0	0	575,656	0	0	45,096
0	0	0	0	0	0	0
0	0	0	178,745	0	0	0
0	0	0	2,869	0	0	0
0	0	0	188,589	2,623	0	0
7,702	0	59,736	25,175	0	60,623	0
0	0	0	678,344	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	11,507	0	0	0
0	0	4,331	0	14,109	0	0
0	0	0	586,679	0	3,175	145
0	0	0	0	0	0	0
7,702	0	65,117	2,247,564	16,732	164,186	45,241
(7,702)	1,397,655	65,863	301,334	(11,732)	30,194	4,461
0	0	0	0	0	0	0
(7,702)	1,397,655	65,863	301,334	(11,732)	30,194	4,461
13,210	0	0	(302,279)	11,732	(30,715)	1,462
\$5,508	\$1,397,655	\$65,863	(\$945)	\$0	(\$521)	\$5,923

(continued)

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, 2011
(Continued)

	Title I	Drug Free Schools	State Fiscal Stabilization	Early Childhood Special Education	School Net Professional Development
Revenues:					
Intergovernmental	\$2,556,808	\$3,639	\$2,185,079	\$20,530	\$31,850
Interest	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Customer Services	0	0	0	0	0
Gifts and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	2,556,808	3,639	2,185,079	20,530	31,850
Expenditures:					
Current:					
Instruction:					
Regular	81,533	3,639	178,934	0	22,215
Special	1,233,015	0	0	34,112	0
Vocational	0	0	0	0	0
Student Intervention Services	0	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupils	55,275	0	0	17,040	0
Instructional Staff	1,136,229	0	0	0	0
Administration	71,434	0	91,725	0	0
Fiscal	0	0	111,534	0	0
Operation and Maintenance of Plant	0	0	1,737,173	0	0
Pupil Transportation	29,426	0	0	0	0
Central	0	0	8,660	0	0
Operation of Non-Instructional Services:	156,844	2,383	0	0	0
Total Expenditures	2,763,756	6,022	2,128,026	51,152	22,215
Excess of Revenues Over (Under) Expenditures	(206,948)	(2,383)	57,053	(30,622)	9,635
Other Financing Sources:					
Transfers In	0	0	0	0	0
Net Change in Fund Balances	(206,948)	(2,383)	57,053	(30,622)	9,635
Fund Balances (Deficit) at Beginning of Year, Restated	131,191	0	(57,053)	4,521	0
Fund Balances (Deficit) at End of Year	(\$75,757)	(\$2,383)	\$0	(\$26,101)	\$9,635

Title II A	Special Trust	Total Nonmajor Special Revenue Funds
\$345,982	\$0	\$14,324,046
	0	1,597
0	48	526,690
0	0	1,617,969
0	95,113	95,113
0	101,352	115,092
345,982	196,513	16,680,507
239,774	0	627,533
0	0	1,984,025
0	0	41,826
0	0	178,745
0	0	2,869
0	146,999	411,950
108,316	0	1,409,426
0	0	841,503
0	0	111,534
0	0	1,770,571
0	0	109,183
0	0	27,100
0	46,373	7,222,410
0	0	555,603
348,090	193,372	15,294,278
(2,108)	3,141	1,386,229
0	5,000	65,000
(2,108)	8,141	1,451,229
(12,141)	229,062	817,833
(\$14,249)	\$237,203	\$2,269,062

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Uniform School Supplies Fund (1)		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$335,723	\$336,041	\$318
Total Revenues	<u>335,723</u>	<u>336,041</u>	<u>318</u>
Expenditures:			
Current:			
Instruction:			
Regular	409,127	337,701	71,426
Support Services:			
Instructional Staff	14,258	12,712	1,546
Board of Education	1,525	0	1,525
Total Expenditures	<u>424,910</u>	<u>350,413</u>	<u>74,497</u>
Excess of Revenues Over/(Under) Expenditures	(89,187)	(14,372)	74,815
Other Financing Sources and Uses:			
Transfers In	90,000	90,000	0
Total Other Financing Sources and Uses	<u>90,000</u>	<u>90,000</u>	<u>0</u>
Net Change in Fund Balance	813	75,628	74,815
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	<u>266,236</u>	<u>266,236</u>	<u>0</u>
Fund Balance at End of Year	<u>\$267,049</u>	<u>\$341,864</u>	<u>\$74,815</u>

(1) For GAAP reporting, this fund is combined with the General Fund.

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Underground Storage Tank Fund (1)		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues	\$0	\$0	\$0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance at End of Year	\$11,000	\$11,000	\$0

(1) For GAAP reporting, this fund is combined with the General Fund.

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Food Service Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$1,929,222	\$1,928,710	(\$512)
Customer Services	1,614,703	1,615,467	764
Total Revenues	<u>3,543,925</u>	<u>3,544,177</u>	<u>252</u>
Expenditures:			
Current:			
Support Services:			
Board of Education	3,005	0	\$3,005
Operation and Maintenance of Plant	37,700	31,332	\$6,368
Operation of Non-Instructional Services:			
Food Service	<u>3,477,003</u>	<u>3,290,968</u>	<u>\$186,035</u>
Total Expenditures	<u>3,517,708</u>	<u>3,322,300</u>	<u>195,408</u>
Net Change in Fund Balance	26,217	221,877	195,660
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	<u>253,416</u>	<u>253,416</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$279,633</u></u>	<u><u>\$475,293</u></u>	<u><u>\$195,660</u></u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Career Consultant Grant Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$55,869	\$57,333	\$1,464
Total Revenues	55,869	57,333	1,464
Expenditures:			
Current:			
Instruction:			
Vocational	50,920	50,728	192
Support Services:			
Pupils	2,463	1,788	675
Instructional Staff	12,445	11,812	633
Total Expenditures	65,828	64,328	1,500
Net Change in Fund Balance	(9,959)	(6,995)	2,964
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	9,959	9,959	0
Fund Balance at End of Year	\$0	\$2,964	\$2,964

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Athletic Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Extracurricular Activities	\$612,898	\$526,143	(\$86,755)
Miscellaneous	11,415	11,489	74
Total Revenues	624,313	537,632	(86,681)
Expenditures:			
Current:			
Support Services:			
Board of Education	5,800	0	5,800
Pupil Transportation	210,996	77,977	133,019
Extracurricular	768,345	575,130	193,215
Total Expenditures	985,141	653,107	332,034
Excess of Revenues Over (Under) Expenditures	(360,828)	(115,475)	245,353
Other Financing Sources:			
Transfers In	60,000	60,000	0
Total Other Financing Sources	60,000	60,000	0
Net Change in Fund Balance	(300,828)	(55,475)	245,353
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	301,040	301,040	0
Fund Balance at End of Year	\$212	\$245,565	\$245,353

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Auxiliary Services Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$2,589,152	\$2,589,152	\$0
Interest	1,597	1,597	0
Total Revenues	2,590,749	2,590,749	0
Expenditures:			
Current:			
Operation of Non-Instructional Services:	3,027,724	3,024,944	2,780
Total Expenditures	3,027,724	3,024,944	2,780
Excess of Revenues Over(Under) Expenditures	(436,975)	(434,195)	(2,780)
Other Financing Sources and Uses:			
Refund of Prior Year Expenditures	2,500	2,500	0
Total Other Financing Sources (Uses)	2,500	2,500	0
Net Change in Fund Balances	(434,475)	(431,695)	2,780
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	434,475	434,475	0
Fund Balance at End of Year	\$0	\$2,780	\$2,780

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Public School Preschool Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$102,969	\$86,771	(\$16,198)
Total Revenues	102,969	86,771	(16,198)
Expenditures:			
Current:			
Instruction:			
Special	106,887	96,140	10,747
Total Expenditures	106,887	96,140	10,747
Excess of Revenues Under Expenditures	(3,918)	(9,369)	(26,945)
Other Financing Uses:			
Advances In	5,453	5,453	0
Total Other Financing Sources (Uses)	5,453	5,453	0
Net Change in Fund Balance	1,535	(3,916)	(5,451)
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	3,916	3,916	0
Fund Balance at End of Year	\$5,451	\$0	(\$5,451)

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Entry Year Teacher Grant		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	13,265	7,660	5,605
Total Expenditures	13,265	7,660	5,605
Net Change in Fund Balance	(13,265)	(7,660)	5,605
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	13,265	13,265	0
Fund Balance at End of Year	\$0	\$5,605	\$5,605

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Educational Jobs Bill		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$1,397,655	\$0	(\$1,397,655)
Total Revenues	1,397,655	0	(1,397,655)
Expenditures:			
Current:			
Instruction:			
Regular	1,397,655	0	1,397,655
Total Expenditures	1,397,655	0	1,397,655
Excess of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance (Deficit) at End of Year	\$0	\$0	\$0

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Race to the Top		
	Budget	Actual	Variance with Final Budget (Negative)
Revenues:			
Intergovernmental	\$207,853	\$2,225	(\$205,628)
Total Revenues	207,853	2,225	(205,628)
Expenditures:			
Current:			
Instruction:			
Regular	25,000	25,000	0
Support Services:			
Instructional Staff	182,854	70,731	112,123
Total Expenditures	207,854	95,731	112,123
Excess of Revenues Over (Under) Expenditures	(1)	(93,506)	(93,505)
Other Financing Sources and Uses:			
Advances In	207,853	93,506	(114,347)
Total Other Financing Uses	207,853	93,506	(114,347)
Net Change in Fund Balance	207,852	0	(207,852)
Fund Balance at Beginning of Year	0	0	0
Fund Balance (Deficit) at End of Year	\$207,852	\$0	(\$207,852)

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2011

	IDEA-B		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$3,229,937	\$2,294,921	(\$935,016)
Total Revenues	3,229,937	2,294,921	(935,016)
Expenditures:			
Current:			
Instruction:			
Special	1,068,157	937,332	130,825
Student Intervention Services	192,235	181,426	10,809
Support Services:			
Pupils	204,243	203,873	370
Instructional Staff:	28,518	24,498	4,020
Administration	751,891	676,390	75,501
Operation and Maintenance of Plant	122,696	0	122,696
Pupil Transportation	42,457	42,457	0
Operation of Non-Instructional Services	848,631	585,613	263,018
Total Expenditures	3,258,828	2,651,589	607,239
Excess of Revenues Over(Under) Expenditures	(28,891)	(356,668)	(327,777)
Other Financing Sources and Uses:			
Transfers In	509,380	411,012	(98,368)
Advances In	426,175	426,175	0
Transfers (Out)	(411,012)	(411,012)	0
Advances (Out)	(151,336)	(151,336)	0
Total Other Financing Sources and Uses	373,207	274,839	(98,368)
Net Change in Fund Balance	344,316	(81,829)	(426,145)
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	81,859	81,859	0
Fund Balance (Deficit) at End of Year	\$426,175	\$30	(\$426,145)

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Education Management Information Systems		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$5,000	\$5,000	\$0
Total Revenues	5,000	5,000	0
Expenditures:			
Current:			
Support Services:			
Pupils	2,623	2,623	0
Salaries and Wages			0
Fringe Benefits			0
Central	23,539	23,539	0
Total Expenditures	26,162	26,162	0
Net Change in Fund Balance	(21,162)	(21,162)	0
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	21,162	21,162	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Title II-D		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$200,622	\$139,983	(\$60,639)
Total Revenues	<u>200,622</u>	<u>139,983</u>	<u>(60,639)</u>
Expenditures:			
Current:			
Instruction:			
Regular	134,239	134,239	0
Support Services:			
Instructional Staff:	61,047	60,615	432
Operation of Non-Instructional Services	6,858	3,175	3,683
Total Expenditures	<u>202,144</u>	<u>198,029</u>	<u>4,115</u>
Excess of Revenues Under Expenditures	(1,522)	(58,046)	(56,524)
Other Financing Sources:			
Transfer In	777	777	0
Advances In	56,523	56,523	0
Transfers (Out)	(777)	(777)	0
Advances (Out)	<u>(35,905)</u>	<u>(35,905)</u>	<u>0</u>
Total Other Financing Sources	20,618	20,618	0
Net Change in Fund Balance	19,096	(37,428)	(56,524)
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	<u>37,428</u>	<u>37,428</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$56,524</u>	<u>\$0</u>	<u>(\$56,524)</u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Title III		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$52,501	\$50,843	(\$1,658)
Total Revenues	52,501	50,843	(1,658)
Expenditures:			
Current:			
Instruction:			
Special	49,667	44,919	4,748
Support Services:			
Instructional Staff	1,000	0	1,000
Operation of Non-Instructional Services	499	145	354
Total Expenditures	51,166	45,064	6,102
Excess of Revenues Over (Under) Expenditures	1,335	5,779	4,444
Other Financing Sources and Uses:			
Transfers In	860	860	0
Transfers (Out)	(860)	(860)	0
Advances (Out)	(1,399)	(1,399)	0
Total Other Financing Sources and Uses	(1,399)	(1,399)	0
Net Change in Fund Balance	(64)	4,380	4,444
Fund Balance at Beginning of Year	64	64	0
Fund Balance at End of Year	\$0	\$4,444	\$4,444

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2011

	Title I		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$3,220,645	\$2,544,023	(\$676,622)
Total Revenues	3,220,645	2,544,023	(676,622)
Expenditures:			
Current:			
Instruction:			
Regular	112,160	112,160	0
Special	1,287,485	1,219,262	68,223
Support Services:			
Pupils	91,951	74,472	17,479
Instructional Staff	1,362,874	1,091,071	271,803
Administration	77,142	71,197	5,945
Pupil Transportation	30,875	29,426	1,449
Operation of Non-Instructional Services	228,295	163,848	64,447
Total Expenditures	3,190,782	2,761,436	429,346
Excess of Revenues Over (Under) Expenditures	29,863	(217,413)	(247,276)
Other Financing Sources and Uses:			
Transfers In	49,057	36,348	(12,709)
Advances In	252,495	252,495	0
Transfers (Out)	(49,889)	(36,348)	13,541
Advances (Out)	(56,809)	(56,809)	0
Refund of Prior Year Receipts	(22,052)	(22,052)	0
Total Other Financing Sources and Uses	172,802	173,634	832
Net Change in Fund Balance	202,665	(43,779)	(246,444)
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	49,833	49,833	0
Fund Balance (Deficit) at End of Year	\$252,498	\$6,054	(\$246,444)

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Drug Free Schools		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$6,138	\$1,391	(\$4,747)
Total Revenues	6,138	1,391	(4,747)
Expenditures:			
Current:			
Instruction:			
Regular	3,639	3,639	0
Operation of Non-Instructional Services	2,499	2,499	0
Total Expenditures	6,138	6,138	0
Excess of Revenues Over (Under) Expenditures	0	(4,747)	(4,747)
Other Financing Sources and Uses:			
Advances In	4,747	4,747	0
Total Other Financing Sources and Uses	4,747	4,747	0
Net Change in Fund Balance	4,747	0	(4,747)
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance (Deficit) at End of Year	\$4,747	\$0	(\$4,747)

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	State Fiscal Stabilization		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Property Taxes			\$0
Revenues:			
Intergovernmental	\$2,185,079	\$2,185,079	\$0
Total Revenues	2,185,079	2,185,079	0
Expenditures:			
Current:			
Instruction:			
Regular	178,934	178,934	0
Support Services:			
Administration	101,019	101,019	0
Fiscal	111,534	111,534	0
Operation and Maintenance of Plant	1,825,710	1,825,710	0
Central	8,660	8,660	0
Total Expenditures	2,225,857	2,225,857	0
Excess of Revenues Over (Under) Expenditures	(40,778)	(40,778)	0
Other Financing Sources (Uses):			
Transfers In	40,778	40,778	0
Transfers (Out)	(40,778)	(40,778)	0
Total Other Financing Sources and Uses	0	0	0
Net Change in Fund Balance	(40,778)	(40,778)	0
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	40,778	40,778	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Early Childhood Special Education		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$87,242	\$22,061	(\$65,181)
Total Revenues	87,242	22,061	(65,181)
Expenditures:			
Current:			
Instruction:			
Special	46,737	36,874	9,863
Support Services:			
Pupils	42,648	33,809	8,839
Instructional Staff	3,180	320	2,860
Purchased Services			0
Operational of Non-Instructional Services	100	0	100
Total Expenditures:	92,665	71,003	21,662
Excess of Revenues aOver (Under) Expenditures	(5,423)	(48,942)	(43,519)
Other Financing Sources and Uses:			
Transfers In	6,977	1,104	(5,873)
Advances In	49,392	49,392	0
Transfers (Out)	(1,104)	(1,104)	0
Advances (Out)	(630)	(630)	0
Total Other Financing Sources and Uses	54,635	48,762	(5,873)
Net Change in Fund Balance	49,212	(180)	(49,392)
Fund Balance at Beginning of Year	180	180	0
Fund Balance at End of Year	\$49,392	\$0	(\$49,392)

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	School Net Professional Development		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$31,850	\$31,850	\$0
Total Revenues	31,850	31,850	0
Expenditures:			
Current:			
Instruction:			
Regular	31,850	28,000	3,850
Total Expenditures	31,850	28,000	3,850
Net Change in Fund Balance	0	3,850	3,850
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$3,850	\$3,850

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Title II-A		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Intergovernmental	\$469,838	\$354,581	(\$115,257)
Total Revenues	469,838	354,581	(115,257)
Expenditures:			
Current:			
Instruction:			
Regular	295,458	241,551	53,907
Support Services:			
Instructional Staff	164,644	136,436	28,208
Operation of Non-Instructional Staff	6,118	0	6,118
Total Expenditures	466,220	377,987	88,233
Excess of Revenues Over (Under) Expenditures	3,618	(23,406)	(27,024)
Other Financing Sources and Uses:			
Advances In	27,138	27,081	(57)
Advances (Out)	(16,548)	(16,548)	0
Total Other Financing Sources and Uses	10,590	10,533	(57)
Net Change in Fund Balance	14,208	(12,873)	(27,081)
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	12,873	12,873	0
Fund Balance at End of Year	\$27,081	\$0	(\$27,081)

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Special Trusts		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Gifts and Donations	\$95,009	\$95,113	104
Extracurricular	48	48	0
Miscellaneous	98,688	98,623	(65)
Total Revenues	193,745	193,784	39
Expenditures:			
Current:			
Support Services:			
Pupils	173,273	145,935	27,338
Operation of Non-Instructional Services	141,144	48,187	92,957
Total Expenditures	314,417	194,122	120,295
Excess of Revenues Over (Under) Expenditures	(120,672)	(338)	120,334
Other Financing Sources and Uses:			
Transfers In	12,990	12,990	0
Transfers (Out)	(7,990)	(7,990)	0
Advances (Out)	(4,500)	(4,500)	0
Total Other Financing Sources and Uses	500	500	0
Net Change in Fund Balance	(120,172)	162	120,334
Fund Balance at Beginning of Year	229,062	229,062	0
Fund Balance at End of Year	\$108,890	\$229,224	\$120,334

NONMAJOR DEBT SERVICE FUND

Fund Description

Debt Service Fund – The Debt Service Fund is used for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment. The District only has this Debt Service Fund for fiscal year 2011.

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Debt Service		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Property Taxes	\$1,621,932	\$1,622,046	\$114
Intergovernmental	227,611	227,585	(26)
Total Revenues	1,849,543	1,849,631	88
Expenditures:			
Current:			
Support Services:			
Fiscal	24,300	22,493	1,807
Debt Service:			
Principal Retirement	990,000	990,000	0
Interest and Fiscal Charges	829,008	829,008	0
Total Expenditures	1,843,308	1,841,501	1,807
Net Change in Fund Balance	6,235	8,130	1,895
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	1,055,227	1,055,225	2
Fund Balance at End of Year	\$1,061,462	\$1,063,355	\$1,897

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Description

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

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Permanent Improvement		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Property Taxes	\$2,896,450	\$2,896,504	\$54
Intergovernmental	406,466	406,401	(65)
Total Revenues	\$3,302,916	\$3,302,905	(\$11)
Expenditures:			
Current:			
Instruction:			
Regular	1,250,221	1,033,429	216,792
Special	4,046	4,046	0
Support Services:			
Pupils	500	500	0
Instructional Staff	10,169	10,169	0
Fiscal	40,500	40,159	341
Operation and Maintenance of Plant	1,303,871	228,131	1,075,740
Pupil Transportation	213,880	213,630	250
Central	24,511	24,511	0
Capital Outlay:			
Site Improvement Services:	429,246	429,226	20
Capital Outlay - New	853,391	708,531	144,860
Total Expenditures	4,130,335	2,692,332	1,438,003
Excess of Revenues Over (Under) Expenditures	(827,419)	610,573	1,437,992
Net Change in Fund Balance	(827,419)	610,573	1,437,992
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	1,495,136	1,495,136	0
Fund Balance at End of Year	\$667,717	\$2,105,709	\$1,437,992

NONMAJOR PERMENENT FUND

Fund Description

Endowment Fund – To account for the financial resources that are restricted. Only the income earned can be used for specific purposes. The District only has one Permanent Fund for fiscal year 2011, the Endowment Fund.

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Endowment Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Pupils	33,723	0	33,723
Extracurricular	60,984	2,000	58,984
Total Expenditures	94,707	2,000	92,707
Net Change in Fund Balance	(94,707)	(2,000)	92,707
Fund Balance at Beginning of Year (includes prior year encumbrances appropriated)	94,707	94,707	0
Fund Balance at End of Year	\$0	\$92,707	\$92,707

NONMAJOR FUNDS

Internal Service Funds

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

Fund Description

Workers' Compensation Fund - To provide for Workers' Compensation Self-Insurance receipts and expenditures.

Northwest Local School District
 Schedule of Revenues, Expenses and Changes
 In Fund Equity - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2011

	Workers' Compensation SI		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenses:			
Purchased Services	45,000	26,987	18,013
Materials and Supplies	10,000	7,250	2,750
Other	45,000	0	45,000
Total Operating Expenses	100,000	34,237	65,763
Operating Income (loss)	(100,000)	(34,237)	(65,763)
Transfers In	100,000	100,000	0
Net Change in Net Assets	0	65,763	65,763
Prior Year Encumbrances Appropriated	0	0	0
Fund Equity at End of Year	\$0	\$65,763	\$65,763

NONMAJOR FUNDS

Fiduciary funds

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

Fund Description

Student Activity (Agency Fund) – To account for assets and liabilities generated by student managed activities. The fund accounts for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program. The District only has this Fiduciary (Agency) Fund for fiscal year 2011.

Northwest Local School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2011

	Student Activity			Ending Baalance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$123,958	\$236,004	\$217,990	\$141,972
Accounts Receivable	185	0	185	0
Total Assets	\$124,143	\$236,004	\$218,175	\$141,972
Liabilities:				
Accounts Payable	\$1,241	\$555	\$1,241	\$555
Undistributed Monies	0	0	0	18,014
Other Liabilities	122,902	1,241	740	123,403
Total Liabilities	\$124,143	\$1,796	\$1,981	\$141,972

Statistical Section



STATISTICAL SECTION

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

CONTENTS

FINANCIAL TRENDS: These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

REVENUE CAPACITY: These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).

DEBT CAPACITY: These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

ECONOMIC AND DEMOGRAPHIC INFORMATION: These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

OPERATING INFORMATION: These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report related to the services the District provides and the activities it performs.

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, Net of related debt	\$4,468,058	\$4,540,207	\$4,263,966	\$3,896,572	\$3,063,084	\$2,440,916	\$2,857,440	\$3,408,154	\$4,824,453	\$5,225,512
Restricted	3148603	3,208,243	4,996,925	4,984,928	4,911,775	4,812,592	3,098,772	4,545,762	4,294,401	5,117,281
Expendable Endowment	0	0	0	0	0	0	0	0	0	13,707
Nonexpendable Trust	0	0	0	0	0	0	0	0	0	79,000
Unrestricted	13257397	17,774,623	13,113,564	17,057,579	17,619,488	17,931,886	15,918,949	21,200,605	22,468,679	27,598,942
Total Net Assets	\$20,874,058	\$25,523,073	\$22,374,455	\$25,939,079	\$25,594,347	\$25,185,394	\$21,875,161	\$29,154,521	\$31,587,533	\$38,034,442

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2002.

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

Northwest Local School District
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Ten Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental Activities:										
Instruction	\$43,961,196	\$45,411,314	\$48,139,681	\$50,233,149	\$48,903,070	\$49,828,614	\$56,945,019	\$49,951,460	\$52,481,465	\$52,123,019
Pupil	4,087,427	4,311,310	4,300,406	4,370,329	4,740,911	4,850,602	4,636,660	5,191,242	5,864,785	5,918,209
Instructional Staff	4,703,188	5,003,623	5,885,152	5,941,773	5,770,458	5,840,176	5,769,942	5,774,646	6,168,524	7,479,306
General Administration	87,785	120,895	91,142	161,901	241,656	281,111	183,505	93,830	178,161	131,907
School Administration	5,090,831	5,146,738	5,356,327	5,640,900	5,446,475	5,855,802	5,745,910	6,041,145	5,688,140	6,071,446
Fiscal	1,311,298	1,360,512	1,530,072	1,550,991	1,483,369	1,558,363	1,603,973	1,807,516	1,593,129	2,091,931
Business	532,909	577,629	574,334	594,917	699,841	507,244	671,137	720,409	583,823	600,034
Operation and Maintenance	8,058,321	8,245,783	7,559,219	7,817,898	8,272,465	8,033,869	8,570,818	7,029,199	7,821,491	7,905,720
Pupil Transportation	3,567,960	4,088,325	4,330,044	4,391,526	4,589,238	4,819,635	4,901,006	4,595,467	5,078,256	5,248,647
Central	1,342,996	1,371,668	1,421,910	1,493,134	1,211,509	1,272,167	1,665,530	1,586,120	1,970,404	1,783,588
Operation of Non-instructional Services	2,679,136	2,924,980	5,914,723	6,857,202	6,535,203	6,686,349	7,133,882	8,306,507	6,746,827	7,231,875
Extracurricular Activities	1,405,292	1,664,320	1,662,910	1,766,543	1,821,170	1,915,193	1,568,962	1,861,017	1,861,932	2,009,970
Interest and Fiscal Charges	1,228,722	1,211,360	1,190,385	1,166,792	1,529,534	1,008,515	993,695	964,410	915,785	867,155
Total Government Expenses	78,057,061	81,438,457	87,956,305	91,987,055	91,244,899	92,457,640	100,390,039	93,922,968	96,952,722	99,462,807
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	954,972	1,408,116	1,166,566	1,644,304	1,463,778	1,497,076	1,597,900	1,592,934	1,869,950	1,641,647
Pupil	0	0	0	0	0	11,279	11,664	16,349	14,785	23,810
Operation and Maintenance	66,836	61,440	89,511	66,853	55,309	50,200	45,217	617,093	613,381	809,126
Pupil Transportation	0	0	0	0	0	0	0	0	46,465	57,404
Operation of Non-instructional Services	240,612	242,038	2,379,197	2,087,637	2,052,682	2,014,390	1,988,401	1,947,625	1,709,506	1,603,407
Extracurricular Activities	646,046	631,653	638,082	710,061	631,218	671,898	901,362	804,655	643,017	789,862
Operating Grants and Contributions	5,094,519	5,655,375	7,540,130	8,299,035	10,407,779	10,858,280	10,087,921	11,795,565	15,592,209	16,183,531
Capital Grants and Contributions	360,516	374,646	2,050,671	186,207	269,047	173,314	193,001	184,366	32,008	0
Total Government Revenues	7,363,301	8,573,268	13,864,157	12,994,097	14,879,813	15,276,437	14,825,466	16,958,587	20,321,321	21,108,787
Net (Expense)/Revenue	(\$70,693,560)	(\$72,865,189)	(\$74,092,148)	(\$78,992,958)	(\$76,365,086)	(\$77,181,203)	(\$85,564,573)	(\$76,964,381)	(\$76,431,401)	(\$78,354,020)
Total Government Net Expense										

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2002.

Northwest Local School District
 General Revenues and Total Change in Net Assets
 Last Ten Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue										
Total Government Net Expense	(\$70,693,560)	(\$72,865,189)	(\$74,092,148)	(\$78,992,938)	(\$76,365,086)	(\$77,181,203)	(\$85,564,573)	(\$76,964,381)	(\$76,431,401)	(\$78,354,020)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	37,617,518	40,665,767	33,876,124	43,786,003	39,092,855	40,052,554	43,685,645	39,010,796	37,237,185	41,222,092
Property Taxes Levied for Debt Service Purposes	1,580,267	1,608,343	1,293,327	1,679,221	1,878,204	1,527,841	1,475,539	1,666,398	1,567,267	1,953,476
Property Taxes Levied for Capital Projects Purposes	0	0	0	0	0	0	0	2,760,232	2,798,365	3,248,049
Grants and Entitlements not Restricted to Specific Programs	31,204,342	32,216,453	33,634,399	34,233,076	31,520,219	31,552,624	33,156,736	35,319,550	33,399,642	34,570,047
Payment in Lieu of Taxes	940,478	1,436,898	1,442,401	1,944,008	2,170,537	1,353,248	2,541,812	4,170,555	2,983,732	3,217,041
Unrestricted Contributions	0	0	0	0	211,257	201,670	206,874	209,561	171,915	152,446
Investment Earnings	627,818	383,001	246,045	492,314	957,958	1,281,757	923,168	433,779	202,298	198,962
Other Revenues	200,581	323,898	367,379	422,939	389,323	802,556	264,566	672,870	509,009	238,814
Total Government Activities	72,171,004	76,634,360	70,859,675	82,557,581	76,020,353	76,772,250	82,254,340	84,243,741	78,864,413	84,800,927
Change in Net Assets	\$1,477,444	\$3,769,171	(\$3,232,473)	\$3,564,623	(\$344,733)	(\$408,953)	(\$3,310,233)	\$7,279,360	\$2,433,012	\$6,446,907
Total Government										

Source: District Records

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2002.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$10,888,628	\$13,298,462	\$9,941,691	\$15,297,234	\$14,850,178	\$13,241,226	\$15,315,873	\$14,344,202	\$13,263,955	\$0
Unreserved	5,697,028	7,338,820	5,946,886	3,708,325	4,431,337	5,028,757	3,235,516	7,466,773	10,221,736	0
Committed	0	0	0	0	0	0	0	0	0	54,549
Assigned	0	0	0	0	0	0	0	0	0	554,329
Unassigned	0	0	0	0	0	0	0	0	0	24,609,553
Total General Fund	16,585,656	20,637,282	15,888,577	19,005,559	19,281,515	18,269,983	18,551,389	21,810,975	23,487,691	25,218,431
All Other Governmental Funds										
Reserved	510,528	763,003	595,769	927,231	795,705	981,536	1,949,064	2,538,473	2,058,837	0
Unreserved, Reported in:										
Special Revenue Funds	706,479	199,211	819,862	748,393	550,025	278,371	(1,076,114)	375,257	427,040	0
Debt Service Funds	1,207,501	1,207,995	1,139,524	1,070,092	1,113,172	1,194,512	1,071,556	1,035,064	1,053,225	0
Capital Project Funds	658,294	863,550	2,408,668	2,407,961	2,427,816	2,433,966	100,655	208,299	693,319	0
Permanent Funds	0	0	0	0	0	0	0	0	94,707	0
Nonspendable	0	0	0	0	0	0	0	0	0	120,684
Restricted	0	0	0	0	0	0	0	0	0	4,130,877
Committed	0	0	0	0	0	0	0	0	0	3,699,071
Assigned	0	0	0	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0	0	0	(141,437)
Total all Other Governmental Funds	\$3,082,802	\$3,033,759	\$4,963,823	\$5,153,677	\$4,886,718	\$4,888,383	\$2,045,161	\$4,157,093	\$4,329,128	\$7,809,195

Source: District Records

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	\$39,197,785	\$42,274,109	\$35,169,451	\$45,465,224	\$40,771,058	\$39,571,250	\$44,923,966	\$43,221,580	\$41,099,173	\$46,496,662
Revenue in Lieu of Taxes	837,851	1,136,800	1,335,357	1,803,022	1,905,623	2,159,741	3,488,839	2,974,827	2,983,752	3,217,041
Tuition and Fees	1,004,932	828,575	1,307,283	1,375,608	1,827,893	1,207,360	1,107,809	908,960	1,615,133	1,699,249
Investment Earnings	627,818	355,779	273,267	492,314	957,958	1,281,757	923,168	433,779	202,298	198,962
Intergovernmental	36,222,194	37,943,077	40,999,928	42,692,681	42,042,886	42,681,291	42,285,156	48,131,399	50,279,723	49,954,418
Extracurricular Activities	535,428	511,575	463,235	555,091	455,337	500,925	641,725	670,974	524,755	614,328
Charges for Services	0	0	2,104,495	2,420,753	2,052,682	2,856,808	2,795,010	3,398,723	3,028,333	2,611,679
Other Revenues	796,640	1,703,732	2,986,745	611,587	599,580	689,921	467,523	814,488	409,555	333,927
Total Revenues	\$79,222,648	\$84,753,647	\$84,639,761	\$95,416,280	\$90,613,017	\$90,949,053	\$96,633,196	\$100,554,730	\$100,142,702	\$105,126,266

Source: District Records

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	\$44,375,999	\$44,710,155	\$47,364,387	\$49,644,561	\$48,009,414	\$49,180,578	\$55,063,771	\$49,098,127	\$51,443,938	\$51,738,062
Pupil	4,123,963	4,331,777	4,330,800	4,370,923	4,753,090	4,796,893	4,658,356	5,123,343	5,755,844	5,981,301
Instructional Staff	4,656,513	5,017,149	5,832,190	5,993,431	5,773,348	5,832,460	5,701,322	5,880,737	6,199,761	7,437,142
General Administration	87,785	120,895	91,142	161,901	241,656	281,111	183,505	93,830	178,161	131,907
School Administration	5,153,713	5,077,151	5,334,870	5,397,018	5,411,896	5,906,050	5,806,393	5,942,361	5,549,993	5,997,588
Fiscal	1,292,652	1,340,797	1,492,837	1,482,270	1,518,660	1,695,551	1,581,267	1,785,013	1,581,215	2,084,929
Business	596,498	559,547	571,206	581,747	694,082	512,931	694,398	707,873	596,807	605,131
Operation and Maintenance	7,880,719	8,208,547	7,463,816	7,711,002	8,274,328	7,956,222	9,138,204	8,487,069	7,806,790	7,725,956
Pupil Transportation	3,916,466	4,170,750	4,159,436	4,337,422	4,444,862	4,584,733	4,741,030	4,438,485	5,402,586	5,113,826
Central	1,337,439	1,344,141	1,439,811	1,505,082	1,253,835	1,189,253	1,682,782	1,503,774	1,977,662	1,774,642
Operation of Non-instructional Services	2,667,631	2,918,707	5,821,812	6,941,408	6,673,610	6,651,816	7,120,644	8,142,696	6,718,077	7,405,032
Extracurricular Activities	1,372,204	1,666,064	1,651,922	1,758,583	1,815,078	1,733,681	1,783,724	1,836,262	1,858,764	1,964,452
Capital Outlay	4,120	0	374,000	0	0	0	0	147,548	990,767	36,483
Debt Service										
Principal	410,000	450,000	495,000	540,000	590,000	675,000	928,396	1,129,533	1,351,679	990,000
Interest	1,230,133	1,212,152	1,192,059	1,169,645	1,149,162	994,495	969,747	934,502	881,907	829,008
Total Expenditures	\$79,105,835	\$81,127,832	\$87,615,288	\$91,594,993	\$90,605,021	\$91,990,774	\$100,053,539	\$95,251,153	\$98,293,951	\$99,815,459

Debt Service as a Percentage of
 Noncapital Expenditures

	2.30%	2.07%	1.94%	1.88%	1.93%	1.82%	1.90%	2.19%	2.32%	1.86%
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Source: District Records

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)	\$23,666	\$27,340	\$36,530	\$58,402	\$1,001	\$31,856	\$3,917	\$67,941	\$250	\$0
Proceeds from Sale of Capital Assets	\$0	0	0	0	0	0	854,608	0	0	0
Issuance Of Capital Leases	0	0	0	0	(15,964,485)	0	0	0	0	0
Payments to Refunded Bonds Escrow Agent	0	0	0	0	15,380,000	0	0	0	0	0
Proceeds of Refunding Bonds	0	0	0	0	584,485	0	0	0	0	0
Refunding Bond Premium	0	0	0	0	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0	2,628	0	61,649	65,000
Transfers out	0	0	0	0	0	0	(2,628)	0	(61,649)	(165,000)
Total Other Financing Sources (Uses)	23,666	27,340	36,530	58,402	1,001	31,856	858,525	67,941	250	(100,000)
Net Change in Fund Balances	\$140,479	\$3,653,155	(\$2,938,997)	\$3,879,689	\$8,997	(\$1,009,865)	(\$2,561,818)	\$5,371,518	\$1,849,001	\$5,210,807

Source: District Records

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

Calendar Year	Real Property		Tangible		Public		Less: Exemptions	Total Taxable Value	Total Assessed Value (1)	Total Direct Rate
	Assessed Value (1)	Personal Property Assessed Value (1)	Personal Property Assessed Value (1)	Utilities Personal Assessed Value (1)	Assessed Value (1)					
2001	1,237,011,150	92,866,910	37,730,740	107,289,320	1,260,319,480	1,367,608,800	49.80			
2002	1,349,652,730	80,470,050	39,296,490	122,907,540	1,346,511,730	1,469,419,270	49.64			
2003	1,362,790,120	82,003,290	39,727,050	134,826,180	1,349,694,280	1,484,520,460	49.64			
2004	1,373,527,170	78,381,540	40,023,250	142,588,040	1,349,343,920	1,491,931,960	49.64			
2005	1,606,199,670	63,984,560	37,866,350	165,946,020	1,542,104,560	1,708,050,580	49.64			
2006	1,611,429,080	45,456,080	36,164,160	180,126,190	1,512,923,130	1,693,049,320	49.50			
2007	1,635,959,680	24,896,760	32,546,400	184,594,770	1,508,808,070	1,693,402,840	53.39			
2008	1,632,851,870	2,585,353	32,779,000	176,010,640	1,492,205,583	1,668,216,223	53.39			
2009	1,620,943,080	2,675,180	35,300,900	166,627,290	1,492,291,870	1,658,919,160	53.57			
2010	1,616,185,810	1,260,480	35,469,760	168,030,590	1,484,885,460	1,652,916,050	53.56			

Source: Hamilton County Auditor

(1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

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

Northwest Local School District
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Calendar Year	General Purpose	District Direct Rates					Overlapping Rates				
		Debt	Total	Hamilton County	City of Fairfield	City of Forest Park	City of North College Hill	Colerain Township	Green Township	Springfield Township	
2001	48.54	1.26	49.80	21.47	5.94	11.08	6.68	15.18	8.31	20.30	
2002	48.54	1.10	49.64	21.87	5.94	11.08	6.68	16.18	8.31	20.30	
2003	48.54	1.10	49.64	21.51	5.94	11.08	6.68	16.18	8.31	20.30	
2004	48.54	1.10	49.64	21.06	5.94	11.08	6.68	16.18	8.31	20.30	
2005	48.54	1.10	49.64	20.81	5.94	11.08	6.68	16.18	9.81	20.30	
2006	48.54	0.96	49.50	19.78	5.94	11.08	6.68	16.18	9.81	20.30	
2007	52.43	0.96	53.39	20.18	5.94	11.08	6.68	16.18	9.81	20.30	
2008	52.27	1.12	53.39	20.56	5.94	11.08	6.68	17.33	9.81	20.30	
2009	52.45	1.12	53.57	20.48	5.94	11.08	6.68	17.33	11.72	22.80	
2010	52.44	1.12	53.56	20.48	5.94	11.08	6.68	18.26	11.71	22.80	

Source: Hamilton County Auditor

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

Northwest Local School District
Principal Property Tax Payers
Current Year and Three Years Ago (1)
Schedule 10

Taxpayer	2010	
	Taxable Assessed Value	Percentage of Total Taxable Value
Duke Energy Ohio Inc.	\$33,113,070	2.00%
Northgate Partners LLC	27,301,070	1.65%
KIR Colerain LLC	10,927,740	0.66%
Rumpke Sanitary Landfill INC	7,914,790	0.48%
Schottenstein-Colerain LLC	5,554,700	0.34%
Prospect Square LLC	4,340,010	0.26%
Procter & Gamble Co.	4,283,880	0.26%
Northwest Woods LLC	4,011,950	0.24%
Lees Crossing LLC	3,987,630	0.24%
Ashley Woods Limited Partnership	3,706,720	0.22%
Total Principal Taxpayers	105,141,560	6.36%
All Other Taxpayers	1,547,774,490	93.64%
Total All Taxpayers	\$1,652,916,050	100.00%

Taxpayer	2007 (2)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Northgate Partners LLC	\$35,335,660	2.09%
KIR Colerain LLC	9,634,760	0.57%
Rumpke Consolidated	6,909,270	0.41%
Cincinnati Mills	6,075,130	0.36%
Procter & Gamble Co	5,873,360	0.35%
Wells Fargo Bank NA	5,558,370	0.33%
Wal-Mart Real Estate	5,409,260	0.32%
Stone Creek Development	4,148,400	0.24%
Northwest Woods LLC	4,020,180	0.24%
Lee Crossing LLC	3,986,400	0.24%
Total Principal Taxpayers	86,950,790	5.13%
All Other Taxpayers	1,606,452,050	94.87%
Total All Taxpayers	\$1,693,402,840	100.00%

Source: Hamilton County Auditor

(1) - Information only available for current year and three years ago

(2) - Denotes calendar year

Northwest Local School District
 Property Tax Levies and Collections
 Last Ten Calendar Years
 Schedule 11

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	45,657,507	41,940,289	91.86%	1,499,105	43,439,394	95.14%
2002	45,340,673	41,684,515	91.94%	1,439,366	43,123,881	95.11%
2003	45,828,885	41,698,136	90.99%	1,224,709	42,922,845	93.66%
2004	46,580,056	42,225,846	90.65%	1,586,109	43,811,955	94.06%
2005	46,683,849	42,637,282	91.33%	1,496,380	44,133,662	94.54%
2006	47,821,130	42,673,894	89.24%	1,777,244	44,451,138	92.95%
2007	46,763,460	43,657,969	93.36%	1,326,968	44,984,937	96.20%
2008	50,800,639	48,207,637	94.90%	1,590,158	49,797,795	98.03%
2009	51,449,606	47,017,952	91.39%	1,235,544	48,253,496	93.79%
2010	51,248,384	46,784,226	91.29%	1,495,281	48,279,507	94.21%

Source: Hamilton County Auditor

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

Fiscal Year	Governmental Activities		Ratio of General Bonded Debt to Estimated Actual Value (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds	Total Primary Government			
2002	23,790,000	23,790,000	1.74%	0.08%	272
2003	23,340,000	23,340,000	1.59%	0.08%	266
2004	22,845,000	22,845,000	1.54%	0.22%	260
2005	22,305,000	22,305,000	1.50%	0.07%	253
2006	21,715,000	21,715,000	1.27%	0.07%	245
2007	21,040,000	21,040,000	1.24%	0.06%	236
2008	20,250,000	20,250,000	1.20%	0.06%	226
2009	19,405,000	19,405,000	1.16%	0.05%	215
2010	18,485,000	18,485,000	1.11%	0.05%	N/A
2011	17,495,000	17,495,000	1.06%	N/A	N/A

Source: District Records

N/A - Information not available

Northwest Local School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2011
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Butler County	\$62,095,237	0.02%	12,419
Hamilton County	95,945,000	8.25%	7,915,463
City of Fairfield	29,925,000	0.00%	0
City of Forest Park	5,455,000	10.62%	579,321
City of North College Hill	1,065,000	1.26%	13,419
Colerain Township	10,810,000	93.13%	10,067,353
Fairfield Township	6,275,000	0.53%	33,258
Butler Technology & Career Center JT. Voc. School District	4,500,000	19.13%	860,850
Springfield Township	11,740,000	12.40%	1,455,760
Subtotal, Overlapping Debt	227,810,237		20,937,842
District direct debt	17,495,000	100.00%	17,495,000
Total direct and overlapping debt	\$245,305,237		\$38,432,842

Source: Ohio Municipal Advisory Council

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

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value (1)	\$1,481,496,830
Debt Limit (9% of Assessed Value)	133,334,715
Debt Applicable to Limit	17,495,000
Legal Debt Margin	<u>\$115,839,715</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$123,486,468	\$133,366,152	\$133,468,850	\$134,599,834	\$153,256,696	\$154,705,985	\$152,211,071	\$150,139,460	\$149,302,724	\$133,334,715
Total Net Debt Applicable to Limit	22,161,099	21,602,805	21,341,576	20,659,908	19,946,828	21,040,000	20,250,000	19,405,000	18,485,000	17,495,000
Legal Debt Margin	<u>\$101,325,369</u>	<u>\$111,763,347</u>	<u>\$112,127,274</u>	<u>\$113,939,926</u>	<u>\$133,309,868</u>	<u>\$133,665,985</u>	<u>\$131,961,071</u>	<u>\$130,734,460</u>	<u>\$130,817,724</u>	<u>\$115,839,715</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.95%	16.20%	15.99%	15.35%	13.02%	13.60%	13.30%	12.92%	12.38%	13.12%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2008 is calendar year 2007)

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2001	85,875	29,136,541	34,499	4.0%
2002	85,875	30,010,701	35,712	5.5%
2003	85,875	10,556,012	36,526	5.6%
2004	85,875	31,972,899	38,417	5.7%
2005	85,875	33,087,346	39,937	5.7%
2006	85,875	35,146,091	41,477	5.0%
2007	85,875	36,488,577	42,730	5.0%
2008	85,875	37,484,285	43,918	5.6%
2009	85,875	36,248,694	N/A	8.9%
2010	74,442	N/A	N/A	9.4%

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

N/A - Information not available

Northwest Local School District
 Major Employers (1)
 Current Calendar Year and Fiscal Period Nine Years Ago
 Schedule 16

2010			
Major Employers	Type	Number of Employees (1)	Employer's Percentage of Total Employment
Kroger Co	Trade	17,000	1.7%
University of Cincinnati	Govt	15,162	1.5%
Procter & Gamble Co	Mfg	14,000	1.4%
Cincinnati Children's Hospital	Serv	12,057	1.2%
TriHealth Inc	Serv	9,898	1.0%
Mercy Health Partners	Serv	8,550	0.8%
Archdiocese of Cincinnati	Religion	8,000	0.8%
General Electric Co	Mfg	7,300	0.7%
Wal-Mart Stores	Trade	6,932	0.7%
Fifth Third Bancorp	Fin	6,771	0.7%
	Total	1,009,917	(3)

2001			
Major Employers	Type	Number of Employees	Employer's Percentage of Total Population
Kroger Co	Trade	16,000	1.6%
U. S. Government	Govt	15,600	1.5%
Procter & Gamble Co	Mfg	14,000	1.4%
University of Cincinnati	Govt	14,000	1.4%
Health Alliance of Greater Cincinnati	Serv	13,600	1.4%
Mercy Health Partners	Serv	8,000	0.8%
General Electric Co	Mfg	7,500	0.7%
Cincinnati Public Schools	Educ	6,700	0.7%
TriHealth Inc	Serv	6,400	0.6%
Archdiocese of Cincinnati	Religion	6,300	0.6%
	Total	1,006,709	(3)

Sources: (1) - "Largest Tri-State Employers." *Business Courier 2011 Book of Lists*
 (2) - Greater Cincinnati Chamber of Commerce internet site March 2002
 (3) - Bureau of Labor Statistics annual employment for Cincinnati-Middletown metropolitan statistical area.

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

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Administrative							
Central Office	14.0	13.0	12.0	15.0	17.0	17.0	19.0
Certified Licensed	27.0	27.0	27.0	26.0	25.0	25.0	25.0
Classified	15.0	14.0	12.0	11.0	10.0	12.0	12.0
Total Administrative	56.0	54.0	51.0	52.0	52.0	54.0	56.0
Instructional Staff							
Teachers	662.0	651.0	632.0	624.0	577.0	575.0	558.0
Instructional Specialists	12.0	10.0	9.0	8.0	8.0	8.0	12.0
Librarians	6.0	4.0	4.0	4.0	4.0	4.0	3.0
Instructional Coordinator	4.0	1.0	1.0	1.0	1.0	1.0	1.0
Counselors	19.0	17.0	17.0	17.0	17.0	17.0	17.0
Py Total Instructional Staff	1.0	1.0	1.0	0.0	0.0	0.0	0.0
	704.0	684.0	664.0	654.0	607.0	605.0	591.0
Support Staff							
Educational Assistants	147.5	139.5	151.5	150.5	150.0	157.7	183.5
Nurses	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health Technician	18.0	18.0	18.0	18.0	17.0	17.0	17.0
Library Assistants	14.0	14.0	14.0	14.0	13.0	13.0	13.0
Transportation/Delivery	92.0	90.0	91.0	75.0	75.0	79.0	78.5
Food Service	106.0	104.0	104.0	104.0	100.0	98.3	97.5
Secretarial/Clerical	68.0	65.0	62.0	64.0	65.0	65.0	63.0
Data Processing	5.0	5.0	6.0	6.0	6.0	5.0	5.0
Maintenance	9.0	8.0	8.0	10.0	10.0	9.0	11.0
Ct Total Support Staff	64.0	62.0	67.0	63.0	62.0	62.5	62.5
	524.5	506.5	522.5	505.5	499.0	507.5	532.0
Total District Staff	1284.5	1244.5	1237.5	1211.5	1158.0	1166.5	1179.0

Source: District records

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

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

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil (2)	Percentage Change	Expenses (3)	Cost Per Pupil (4)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2002	10,504	77,461,582	7,374	20.21%	\$78,057,061	\$7,431	N/A	678	15.49	21.53%
2003	10,646	79,465,680	7,464	1.22%	81,438,457	7,650	2.94%	665	16.01	23.30%
2004	10,647	85,554,229	8,036	7.65%	87,956,305	8,261	7.99%	673	15.82	24.09%
2005	10,561	89,885,348	8,511	5.92%	91,987,055	8,710	5.43%	662	15.95	27.86%
2006	10,332	88,865,859	8,601	1.06%	91,244,899	8,831	1.39%	651	15.87	29.36%
2007	10,370	90,321,279	8,710	1.27%	92,457,640	8,916	0.96%	632	16.41	30.95%
2008	9,823	98,155,396	9,992	14.73%	100,390,039	10,220	14.63%	624	15.74	30.53%
2009	9,616	93,039,570	9,675	-3.17%	93,922,968	9,767	-4.43%	577	16.67	38.28%
2010	9,678	95,069,598	9,823	1.53%	96,952,722	10,018	2.56%	575	16.83	40.71%
2011	9,515	97,959,968	10,295	4.81%	99,597,053	10,467	4.49%	558	17.05	46.42%

Source: District records

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

(2) - Operating Expenditure by Enrollment

(3) - Expenses is Total Expenses from Schedule 2

(4) - Expenses by Enrollment

N/A - Information not available

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

School	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary										
Coleman Elementary - 1923										
Square feet	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934
Capacity (1)	850	850	850	850	850	850	850	850	850	850
Enrollment	702	699	689	695	667	668	645	852	856	849
Bevis Elementary - 1970										
Square feet	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640
Capacity (1)	600	600	600	600	600	600	600	600	600	600
Enrollment	536	506	496	486	489	490	445	429	440	442
Houston Elementary - 1966										
Square feet	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826
Capacity (1)	600	600	600	600	600	600	600	0	0	0
Enrollment	509	495	479	475	422	422	408	0	0	0
Montfort Heights Elementary - 2000										
Square feet	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787
Capacity (1)	700	700	700	700	700	700	700	700	700	700
Enrollment	671	751	791	728	717	718	685	645	665	655
Pleasant Run Elementary - 1961										
Square feet	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751
Capacity (1)	575	575	575	575	575	575	575	575	575	575
Enrollment	537	556	522	509	500	500	481	394	418	389
Struble Elementary - 1959										
Square feet	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Capacity (1)	376	376	376	376	376	376	376	376	376	376
Enrollment	394	350	377	376	404	405	400	408	409	417
Taylor Elementary - 1960										
Square feet	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262
Capacity (1)	525	525	525	525	525	525	525	525	525	525
Enrollment	526	540	527	500	470	493	348	488	521	494
Weigel Elementary - 1965										
Square feet	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057
Capacity (1)	500	500	500	500	500	500	500	500	500	500
Enrollment	492	468	480	505	498	502	467	470	488	490
Welch Elementary - 1977										
Square feet	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800
Capacity (1)	425	425	425	425	425	425	425	425	425	425
Enrollment	345	367	357	349	372	372	325	387	367	404

Source: District records

(1) Capacity considers many variables just as class size. Federally required programs, and district-level programs thus may change accordingly

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

School	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Junior High School										
Colerain Middle - 1932										
Square feet	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591
Capacity (1)	675	675	675	675	675	675	675	675	675	675
Enrollment	716	725	718	730	719	720	688	670	669	641
Pleasant Run Middle - 1969										
Square feet	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230
Capacity (1)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	1,002	1,009	993	923	880	879	857	867	816	794
White Oak Middle - 1961										
Square feet	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950
Capacity (1)	735	735	735	735	735	735	735	735	735	735
Enrollment	817	846	807	782	766	773	754	751	721	752
High School										
Colerain High - 1964										
Square feet	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768
Capacity (1)	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Enrollment	1,965	2,058	2,176	2,277	2,215	2,215	2,166	2,151	2,165	2,150
Northwest High - 1972										
Square feet	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345
Capacity (1)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	1,292	1,276	1,235	1,226	1,213	1,213	1,154	1,104	1,102	1,038

Source: District records

(1) Capacity considers many variables just as class size, federally required programs, and district-level programs thus may change accordingly

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Dave Yost • Auditor of State

NORTHWEST LOCAL SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 7, 2012**