



Dave Yost • Auditor of State



**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

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**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2016**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Education</i>			
Nutrition Cluster:			
<i>Non-Cash Assistance (Food Distribution)</i>			
National School Lunch program	10.555	n/a	\$ 264,684
<i>Cash Assistance</i>			
School Breakfast Program	10.553	3L70	407,745
National School Lunch Program	10.555	3L60	1,687,043
<i>Cash Assistance Subtotal</i>			<u>2,094,788</u>
Nutrition Cluster Total			<u>2,359,472</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>2,359,472</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed Through Ohio Department of Education</i>			
Title I, Part A Cluster Total	84.010	3M00	2,684,383
Special Education Cluster:			
Special Education - Grants to States	84.027	3M20	2,011,689
Special Education - Preschool Grants	84.173	3C50	36,420
Special Education Cluster Total			<u>2,048,109</u>
English Language Acquisition Grants Total	84.365	3Y70	56,112
Improving Teacher Quality State Grants Total	84.367	3Y60	255,338
<b>Total U.S. Department of Education</b>			<b><u>5,043,942</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u><u>7,403,414</u></u></b>

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

**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE A - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Northwest Local School District (the District's) under programs of the federal government for the year ended 6/30/2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. The cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Government has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - FOOD DISTRIBUTION**

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

**NOTE D - NUTRITION CLUSTER**

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



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District, Hamilton County, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2016.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 20, 2016





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the Northwest Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Northwest Local School District's major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on the Major Federal Program***

In our opinion, the Northwest Local School District, Hamilton County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2016.

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

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Northwest Local School District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 20, 2016. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Northwest Local School District  
Hamilton County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Federal Program and on Internal Control Over  
Compliance Required by the Uniform Guidance  
Page 3

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**Dave Yost**  
Auditor of State

Columbus, Ohio

December 20, 2016

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**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2016**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR §200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: 84.027, 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None.

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

None.

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016



NORTHWEST LOCAL SCHOOL DISTRICT

CINCINNATI, OHIO

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Northwest Local School District  
Cincinnati, Ohio

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Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016

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Prepared by the  
Office of the Treasurer  
Amy M. Wells, CFO/Treasurer

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**Northwest Local School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2016*

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## **Introductory Section**

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# **NORTHWEST LOCAL SCHOOL DISTRICT**

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

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**BOARD:**

*Pamela Detzel, President*  
*Bob Engel, Vice President*  
*Jim Detzel, Member*  
*Michael Harlow, Member*  
*Chris Heather, Member*

*Todd Bowling, Superintendent*  
*Amy M. Wells, CFO/Treasurer*

*December 20, 2016*

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

The Comprehensive Annual Financial Report (CAFR) of the Northwest Local School District (School District) for the fiscal year ended June 30, 2016 is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Auditor of the State of Ohio and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is with the School District. This report will provide the taxpayers of the Northwest Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties. The CAFR is also available on the Treasurer's page on the Northwest Local School District website (<http://www.nwlsd.org>).

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

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

***ECONOMIC CONDITION AND OUTLOOK***

The School District is located in southwestern Ohio, in a suburb of Cincinnati, in the northwest part of Hamilton County. Our School District is comprised of three Townships – Colerain, Green, and Springfield – as the backbone of most of our schools. Approximately 71 percent of the School District’s tax base is residential properties with very little agriculture; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area is stagnant under the current economic conditions. Unemployment rates are consistent with national averages. Real estate values are lower than anticipated while optimism for recovery is growing.

With the School District located in a large metropolitan area, many of the residents are employed in or near the School District. With many large employers such as Kroger, Proctor & Gamble Co., Children’s Hospital and many more, employment opportunities exist in many job fields. On average our residents have above average household incomes, thus giving us opportunities for additional financial support. This support was proven by the recent passage of a new levy on November 3, 2015.

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

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

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

The School District is located in Hamilton County, approximately 12 miles from downtown Cincinnati, Ohio, and covers an area of 56 square miles. It serves pupils from Colerain, Green, and Springfield Townships, with Colerain Township serving as its nucleus. Since 1960, the growth pattern in the School District has been steady.

The School District now houses 8,930 students in two high schools, three middle schools, eight elementary schools, one preschool and two career centers. Each high school has an on-campus career center offering such programs as word processing, accounting and computing, data processing, diesel mechanics, machine tool technology, facilities management and electronics offered by Butler Tech. Students also can attend off-site career technical programs offered by Butler Tech.

<b><i>Constructed</i></b>	<b><i>School/Address</i></b>	<b><i>October 2015 Enrollment</i></b>
1923	Colerain Elementary 4850 Poole Road	944
1932	Colerain Middle School 4700 Poole Road	568
1959	Struble Elementary 2760 Jonrose Avenue	425
1960	Taylor Elementary 3173 Springdale Road	571

<i>Constructed</i>	<i>School/Address</i>	<i>October 2015 Enrollment</i>
1961	White Oak Middle School 3130 Jessup Road	759
1961	Pleasant Run Elementary 11765 Hamilton Avenue	497
1964	Colerain High School 8801 Cheviot Road	1,908
1965	Weigel Elementary 3242 Banning Road	424
1969	Pleasant Run Middle 11770 Pippin Road	707
1970	Bevis Elementary 10133 Pottinger Road	0
1972	Northwest High School 10761 Pippin Road	975
1977	Welch Elementary 12084 Deerhorn Drive	493
2000	Monfort Heights Elementary 3711 West Fork Road	659

Houston Elementary School is closed. It is now the Houston Early Learning Center and Conference Center.

Welch, Struble and Taylor are primary schools with grades K through 2.

Pleasant Run Elementary and Weigel Elementary are intermediate schools with grades 3 through 5.

Bevis Elementary closed in fiscal year 2014.

#### ***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, and policy maker, and ensures that all the general laws of the State of Ohio are followed in the expenditures of the School District's tax dollars and approves the annual appropriation resolution and tax budget.

With the new approved bond levy, Welch and Taylor will be combined, as well as Weigel and Struble, to bring all our elementary buildings to K through 5 buildings. Welch and Weigel will be closed for school starting August 2018.

The Board members represent a cross section of professions in the community. The board members on June 30, 2016 were as follows:

<i><b>Board Member</b></i>	<i><b>Began Service</b></i>	<i><b>Term Expires</b></i>	<i><b>Profession</b></i>
Pamela Detzel	January 1998	December 2017	Business Owner
Bob Engel	January 2016	December 2019	Retired, NWLSD
Chris Heather	January 2014	December 2017	Psychiatric Nurse Practitioner
Jim Detzel	January 2008	December 2019	Business Owner
Michael Harlow	January 2014	December 2017	Consultant

The Superintendent is the Chief Executive Officer of the School District, responsible directly to the Board for all educational and support operations. Mr. Todd Bowling was appointed as Superintendent on July 1, 2015. Mr. Bowling grew up and attended school in the School District and started his career as a teacher for the School District. In 1997, Mr. Bowling left the School District and became an elementary school principal and Director of Elementary and Secondary Education for Mt. Healthy City Schools. In 2007, Mr. Bowling rejoined the District when he became the principal of Northwest High School. In 2013, Mr. Bowling became the Director of Business Services for the School District. Mr. Bowling received his Bachelor’s degree from the University of Dayton. He also has his Master’s degree from the University of Cincinnati and his Superintendents license from Xavier University.

The Treasurer is the Chief Financial Officer of the School District, responsible directly to the Board of Education for maintaining all financial records, issuing all payments, maintaining custody of all School District funds and assets, and investing idle funds as specified by Ohio Law. Ms. Amy M. Wells was appointed the CFO/Treasurer of the School District in January 2015. Prior to becoming the School District’s Treasurer, Ms. Wells was the CFO/Treasurer for Bethel-Tate Local School District from 2004 to 2014. Additionally, Ms. Wells was an auditor for the Auditor of the State of Ohio from 1999 to 2003. Ms. Wells holds a Bachelor’s degree in Accounting and Management from the University of Cincinnati and is a Certified Public Accountant and Certified Business Manager.

***EMPLOYEE RELATIONS***

The School District currently has approximately 1,066 full-time and 3 part-time employees. The number of employees has decreased over the past year due to decreased student enrollment. During the 2016 fiscal year, the School District paid \$51,595,454 in salaries and wages and \$19,342,169 in fringe benefits, such as retirement contributions, Medicare taxes, workers’ compensation, and life, dental and health benefits, from its General Fund.

The School District’s teachers are represented for collective bargaining purposes by the Northwest Association of Educators (NAE). The School District has a three year collective bargaining agreement with NAE which expires June 29, 2017. The School District’s transportation employees are represented for collective bargaining purposes by the Ohio Association of Public School Employees (OAPSE). The School District has a three year collective bargaining agreement with OAPSE which expires June 30, 2018.

***SERVICES PROVIDED***

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

Transportation is provided for 5,490 students each day. The School District fleet of 98 buses travels over 6,506 miles each day transporting 75 school bus routes to 21 different sites. In addition to making more than 512 daily runs, the department transported both public and non-public students on 1,697 extra-curricular trips during the year.

The food service department served 830,175 plate lunches through the School District's 13 kitchens. This is accomplished through the full operation of 11 kitchens and 2 satellite sites. Beginning in the school year 2014-2015, a reimbursable breakfast program became available in all 13 of the District's schools.

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

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

The School District offers regular instructional programs daily to students in grades K through 12. There are 1351.51 full-time equivalency students in the specific trades through career technical education. Over 1,262 students receive special services due to physical or mental handicapping conditions. In grades 4 through 8, approximately 190 students participated in the gifted program. The School District presented 623 high school diplomas in 2016.

### ***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**

The Northwest Local School District will create a responsive and innovative learning community where all students are valued, challenged, and guided along a pathway to success.

#### **Beliefs**

- We believe that it is our responsibility to respond to each student to ensure learning and growth.
- We believe that students and staff thrive in an environment that is trusting, safe, and provides hope on a daily basis.
- We believe that collaborative relationships and high expectations for everyone are paramount to our success.
- We believe that community engagement is essential for the success of our School District.

### **CHALLENGES FOR 2016-2017 AND BEYOND**

- Continue to provide a quality education for each student in the School District.
- Continue to align School District curriculum to the State Academic Content Standards.
- Achieve School District and State targets for student achievement.
- Continue to prepare for success on the Ohio Curriculum Based Assessments.
- Increase our letter grades on the State report card.
- Recruit and retain a quality diverse staff that is reflective of our student population.
- Provide time and resources for high quality professional development at the School District and building levels.
- Continue to utilize technology to support student learning.
- Increase enrichment and intervention opportunities for students K through 12.

## **SCHOOL DISTRICT GOALS AND STRATEGIES FOR 2016-2017**

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

By the end of the 2017-2018 school year, the Northwest Local School District will improve student achievement in reading and math as evidenced by improvement of at least one letter grade (A-F) on the Local Report Card in the areas of Achievement, Gap Closing, Progress, and K-3 Literacy, using the 2014-2015 school year data as a baseline.

### **Performance Measure**

The School District's aggregate letter grade (A-F) on the 2017-2018 Local Report Card for each of the following areas: Achievement Component Grade (Performance Index, Indicators Met), Gap Closing Component Grade (Annual Measurable Objectives), Progress Component Grade (Value-Added: Overall, Gifted, Students with Disabilities, and Lowest 20%), and the K-3 Literacy Component Grade (K-3 Literacy Improvement). Baseline data from the 2014-2015 Local Report Card - Northwest Local School District Achievement Performance Index (70%) - C Indicators Met (42.4%) - F Gap Closing Annual Measurable Objectives (33.7%) - F Progress Overall - F Gifted - F Students with Disabilities - F Lowest 20% in Achievement - F K-3 Literacy K-3 Literacy Improvement (51.5%) – C.

**Strategy 1.1** The School District will ensure current instructional practices that promote a deep understanding and effectively apply content, knowledge and skills for all students. [Instructional Best Practices]

### **Action Steps**

- 1.1.1 Administrators will make systematic and frequent classroom visits and provide feedback on classroom instruction and assessment while monitoring the use of varied instructional methods and formats to make learning experiences relevant and responsive to the needs of students with different abilities and from diverse backgrounds.
- 1.1.2 Administrators will facilitate professional development opportunities that support classroom instruction, including, but not limited to, job-embedded professional development using instructional specialists/coaches, reading/math specialists, and a district data coach.
- 1.1.3 Administrators will monitor staff knowledge and use of data and the impact of this knowledge on student achievement.
- 1.1.4 Instructional staff will utilize formative assessment practices (FIP), including appropriate grade, content, and building-level assessments that inform TBT/BLT discussions and instruction.
- 1.1.5 The School District will provide increased access to technology that supports 21<sup>st</sup> Century learning, prepares students for college and careers, and engages students in on-line assessment.
- 1.1.6 The School District will provide professional development to ensure inter-rater reliability as the School District transitions from iObservation to OPES/OTES in order to monitor and evaluate the use of effective leadership and instructional practices.
- 1.1.7 The School District will provide mentors and support to entry-level teachers through a resident educator program.
- 1.1.8 The School District will provide and monitor a multi-tiered system of support through a flooding model and in-class support that utilize research-based materials and strategies that address individual student needs at public and non-public schools.
- 1.1.9 Hire highly qualified teachers in order to reduce class size at the elementary level allowing teachers to provide more intensive interventions within the classroom.

- 1.1.10 Provide tutoring and other supplemental reading and math supports for LEP students, students with disabilities, and other students identified as at-risk or needing enrichment in reading, including qualifying students at participating non-public schools, that utilize research based intervention materials.
- 1.1.11 Provide preschool for early intervention to build beginning literacy skills.
- 1.1.12 Provide summer and extended day learning opportunities for students at risk of not meeting state standards.
- 1.1.13 Use technology to impact English language acquisition for non-English speakers at the pre-functional and/or beginning level by offering American English via the computer tool, Rosetta Stone, across the School District.
- 1.1.14 On a yearly basis, a School District team will review enrollment trends and closely examine the needs of current students. Review current services and make recommendations for any need to expand services and programs to meet AMAOs #1 and #3. Implement additional support at the high school level and professional development as outlined in January 2015 recommendations.

**Strategy 1.2** The School District will ensure the use of effective assessment practices aligned with standards-based curriculum and instructional materials to continuously monitor student progress and make instructional decisions. [Assessment Best Practices]

**Action Steps**

- 1.2.1 Administrators will implement a process for the development of a shared school vision and goals. The School District and each school's vision and goals will be shared with the staff, and administrators will ensure that these are known by all staff.
- 1.2.2 Administrators will use disaggregated achievement and growth data to determine the performance and needs of particular students and groups and regularly examine school-wide student performance data to determine under- and over-identification of students in gifted or special education.
- 1.2.3 Administrators will model the use of data to inform and make decisions about student progress and promote assessment literacy through professional development and utilization of the district data coach.
- 1.2.4 The School District will require and support Building Leadership Teams (BLTs) that utilize common processes and protocols to analyze data and facilitate vertical and horizontal alignment of instruction.
- 1.2.5 The School District will require and support grade/subject based Teacher Based Teams (TBTs) that utilize common processes and protocols and recommend changes in instruction that are monitored by evaluators (Pre-K through 12).
- 1.2.6 New LEP students (based on home language survey) will be screened within thirty days of entering the School District. The Language Assessment Scale grades Pre-K through 12 will be used to progress monitor students to determine English Language growth throughout the year. Students will be assessed yearly on the Ohio English Language Proficiency Assessment (OELPA).
- 1.2.7 Conduct preschool and kindergarten screenings in order to plan appropriate instructional programs.

### **Strategy 1.3**

The School District will ensure that all curriculum is aligned to Ohio's Learning Standards, based on research, used district-wide, and taught by appropriately credentialed staff. [Aligned Curriculum]

#### **Action Steps**

- 1.3.1 Administrators will make systematic and frequent classroom visits and provide feedback on classroom instruction and assessment while monitoring the use of varied instructional methods and formats to make learning experiences relevant and responsive to the needs of students with different abilities and from diverse backgrounds
- 1.3.2 Administrators will ensure that teachers have a basic understanding of academic content standards and curriculum; instruction, assessments and resources are aligned; and that teacher utilization of the essential understanding documents is monitored.
- 1.3.3 Provide Professional Development for Educators of ESL students in the School District.
- 1.3.4 The School District will document the Highly Qualified status of all teachers teaching core academic subjects as well as all teachers teaching in programs supported with Title I funds. Hiring procedures will be implemented that ensure that the School District is meeting HQT requirements.
- 1.3.5 The School District will use data to identify and document any School District gaps in equitable access to excellent educators.
- 1.3.6 The Human Resources Director is the single point of contact who works directly with school administrators and department staff on highly qualified teacher issues. The School District provides an annual orientation at the beginning of the school year and guidance to teachers regarding HQT requirements. It uses the department's HQT forms and status sheets to document and update HQT status of all teachers of core academic subjects, including new teachers and teachers teaching in programs supported with Title I funds, both public and non-public. The School District identifies specific activities and plans for those individuals who need to become highly qualified. The Human Resources director provides oversight of the source documentation and records.
- 1.3.7 The School District assists staff in maintaining their HQT status. For those teachers who are not HQT or who plan to transfer to a core subject area that they are not currently highly qualified to teach, the School District assists them through individualized HQT plans. The School District reassigns teaching placements as needed and works with local universities to provide coursework for non-HQ staff to prepare them for the HQ test. The School District evaluates and updates professional development plans annually to align with teacher, building, and School District needs and priorities. The goals for the plans are to advance educators' content knowledge and provide them with instructional strategies for helping students meet local and state achievement standards. The School District develops plans that ensure students with disabilities receive the supports and services necessary to guarantee complete access to, and involvement in, the general education curriculum to the fullest extent possible; general classroom teachers receive assistance with differentiated instruction; and appropriate numbers of intervention specialists in appropriate content areas achieve HQT status.



- 1.3.8 To support teachers in becoming highly qualified by the end of the 2016-2017 school year, the Northwest Local School District will coordinate and document the use of School District, Title I, IDEA-B, and Title II-A funds. Additional resources include content specialists, middle school instructional coaches and a district data coach. Professional development is targeted to the following schools: Weigel, MHE, Colerain Elementary, Colerain Middle School, White Oak Middle School, Pleasant Run Middle School and Pleasant Run Elementary because of their current “Watch” status. Other factors requiring HQT status to be addressed include targeting recruitment and hiring efforts toward hard to staff subjects, specifically high school science and math. Lowest achieving students will be identified and provided specific interventions.

**Goal 2: Culture and Climate**

The Northwest Local School District will promote a positive, safe, and responsive culture and climate that sets high expectations for all students and staff as measured by attainment of district-developed benchmarks for students and staff. By the end of the 2017-2018 school year district-wide student attendance will be at or above 95%, staff attendance will be at or above 95%, the 4-year graduation rate will be at or above 93%, the 5-year graduation rate will be at or above 95%, and the School District will show at least a 10% improvement on school effectiveness indicators generated from a 2016-2017 baseline on School District surveys.

**Performance Measure**

The following metrics will be used from the 2017-2018 Local Report Card (baseline data from the 2014-2015 Local Report Card): Attendance Rate, Graduation Rate.

Attendance Rate

- All Students (2014-2015 baseline 93.9%).
- All District Staff (2014-2015 baseline 94.2%).

Graduation Rate

- 4-year Graduation Rate (2014-2015 baseline 88%).
- 5-year Graduation Rate (2014-2015 baseline 90.3%).

Effectiveness Survey Data – baseline data to be collected in 2016-2017.

**Strategy 2.1**

The School District will engage parents, families, community members, and stakeholders in support of School District goals for instruction and achievement. The School District will work in partnership with board members to adopt and continually review progress toward meeting School District goals for instruction and achievement. [Collaboration with and Engagement of all School District Stakeholders]

**Action Steps**

- 2.1.1 Administrators will implement a process for the development of a shared school vision and goals. The School District and each school’s vision and goals will be shared with the staff, and administrators will ensure that these are known by all staff.
- 2.1.2 Administrators will regularly assess how well the physical, social, and cultural environment supports student and staff needs.
- 2.1.3 Administrators will respond to building, School District, community, and societal changes and issues that affect the instructional needs of students.
- 2.1.4 Administrators will regularly practice two-way communication with parents about expectations for student learning, needs, and progress.

- 2.1.5 The School District will implement and evaluate Restorative Practices with all staff to promote and foster healthy and positive school climates.
- 2.1.6 Provide services and assistance to attract, engage, and retain homeless children and youth and unaccompanied youth in the School District. Services may include transportation to school of origin, provision of school supplies, and other emergency assistance needed to enable students to attend school.
- 2.1.7 Provide a continuum of support and resources to improve academic achievement and promote positive behavior at all levels.
- 2.1.8 Plan and support transition programs for students moving from one building to another. (HMG to Pre-K, Pre-K through K, 2 through 3, 5 through 6 and 8 through 9)
- 2.1.9 Meet regularly with a district-wide crisis team that represents the entire school community and make recommended changes that will ensure a safe school environment.
- 2.1.10 Provide support and access to School District and community resources, information, and training to parents and students that will contribute to the academic, emotional, and social success of their child.

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

The School District will prepare students with the academic and technical skills needed to be successful in postsecondary education and the workplace. All students will be provided the career knowledge needed to make informed career-decisions. The School District will work to close existing achievement gaps and to raise student achievement to meet School District, State, High Schools That Work, and Making Middle Grades Work targets by the end of 2017.

**Performance Measure**

Ohio's Local Report Card Prepared for Success Component Grade Graduation Rate (4-year, 5-year) Gap Closing (AMOs).

**Strategy 3.1**

Organize school leadership teams to address curriculum, guidance, evaluation, and staff development. [School Leadership Teams]

**Action Steps**

- 3.1.1 The School District will require and support Building Leadership Teams (BLTs) that utilize common processes and protocols to analyze data and facilitate vertical and horizontal alignment of instruction.
- 3.1.2 Schools will provide opportunities for professional development aligned to the needs identified by the Building Leadership Team.

**Strategy 3.2**

Provide increased student opportunities for rigorous career-technical and advanced academic coursework. [Differentiated Course Options for Students]

**Action Steps**

- 3.2.1 Building Leadership Teams will identify and provide additional instructional resources aligned to identified needs.

## **CURRICULUM AND INSTRUCTION**

The Northwest Local School District offers rigorous academic programs and relevant educational experiences as we work to prepare our students for the 21<sup>st</sup> century and beyond. A variety of educational opportunities are available for students including Advanced Placement, dual enrollment through College Credit Plus, gifted programs, special education services, and career technical programs through a partnership with Butler Tech.

The School District has adopted the Ohio Learning Standards and increased the rigor of curriculum, instruction, and assessment. School District teachers and administrators have collaborated to develop detailed curriculum documents for all grades and subjects that identify key learning goals as well as scales to evaluate attainment of these goals. There has been a significant increase of technology being used to improve teaching and learning as well as the addition of a grade 6-12 Bring Your Own Device (BYOD) policy for the 2016-2017 school year. Our high schools are proud to offer a variety of Advanced Placement courses and our partnership with the University of Cincinnati allows us to offer 13 dual enrollment courses on-site.

The School District offers eLearning opportunities for students, including online and blended courses. For the 2016-2017 school year, the School District has been awarded a Straight A grant allowing us to train teachers in coding through the University of California-Davis. This exciting C-STEM program is being offered to over 180 middle school students this year. K through 12 teachers throughout the School District are using newly adopted Social Studies materials designed to promote mastery of the Ohio Learning Standards. Throughout the 2016-2017 school year, teachers will be reviewing K through 2 English Language Arts resources for possible adoption. A number of intervention programs have been implemented to assist students in their learning of the academic content standards, particularly in the areas of reading and mathematics. Title I Reading and Math Specialists work in collaboration with classroom teachers in using data to plan programming for at-risk learners. Our three middle schools utilize Title I instructional coaches to provide job embedded professional development to teachers.

As a School District, we work to ensure that all decisions are data-driven. Common reading and math assessments (NWEA-MAP) are administered in grades K through 8. Common mid-terms and finals are administered at the high school level. The data from these assessments is used to refine teaching and provide intervention and enrichment for students. The performance of students in various subgroups is particularly studied. We are encouraged by the School District's improvement on the 2015-2016 Local Report Card in the area of Progress. The School District moved from an overall grade of "F" in 2014-2015 to an overall grade of "B" in 2015-2016. The Northwest Local School District is focused on its goal of improving student achievement. We continue to evaluate the programming needs of our diverse population with the goal of becoming a high performing School District and meeting the needs of ALL students

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

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

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

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

The School District maintains a five year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance check list. This five year plan provides the School District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection of costs for these projects. The School District finalized a renovation program during the summers of 2012 and 2013. The School District renovated the majority of the top floors of each high school to accommodate Blended Learning Labs for a new instructional initiative. The School District also underwent a School District-wide HB264 Energy Conservation measure during 2013. The School District did major renovations of each high school's Auditorium and Gymnasiums during the summer of 2014. Additional work was done on our elementary buildings that involved roofing and heating issues. In 2014, the School District created an \$86 million Master Facility Plan that determined what schools need renovation versus complete replacement based upon needs and costs. In November 2015, the community approved a combined bond/operating levy for \$76 million towards the completion of the \$86 million project. \$10 million of unrestricted General Fund monies will be used to complete the project.

## ***FINANCIAL INFORMATION***

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

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

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

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

All funds, other than the agency funds, are legally required to be budgeted and appropriated. At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted within three months.

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

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

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

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

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

### ***FINANCIAL CONDITION***

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

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

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

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

As part of this report, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2016 and the outlook for the future.

### ***INDEPENDENT AUDIT***

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

## **AWARDS**

### GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The School District has received this award annual since fiscal year 1991.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

### ASBO Certificate of Excellence

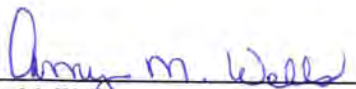
The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted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

The School District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2015. The School District has received this award annual since fiscal year 1991. The School District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2016, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

## **ACKNOWLEDGEMENTS**

The preparation of the 2016 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the School District's Treasurer's Office and Millhuff-Stang, CPA, Inc. The publication of this Comprehensive Annual Financial Report for the School District is a major step in reinforcing the accountability of the School District to the taxpayers of the community.

Respectfully submitted,

  
\_\_\_\_\_  
Amy M. Wells  
CFO/Treasurer

  
\_\_\_\_\_  
Todd Bowling  
Superintendent

## **Principal Officials as of 6/30/16**

### **Elected Officials**

Pamela Detzel	President, Board of Education
Bob Engel	Vice President, Board of Education
Jim Detzel	Board Member
Michael Harlow	Board Member
Chris Heather	Board Member

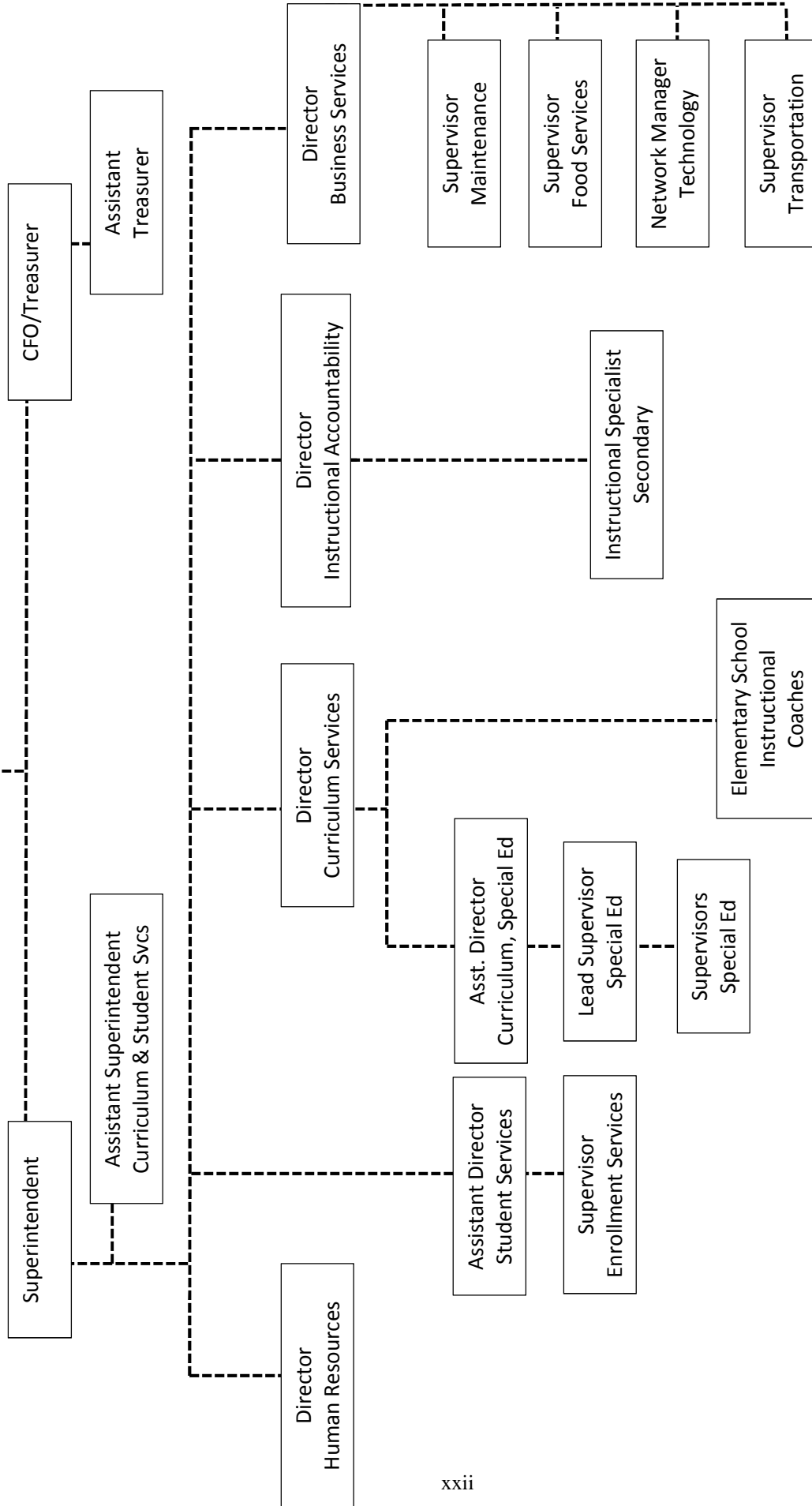
### **Administrative Office Administrators**

Todd Bowling	Superintendent
Amy M. Wells	CFO/Treasurer
Darrell Yater	Assistant Superintendent of Curriculum & Student Services
Stephanie Kessling	Director of Human Resources
Jennifer Blust	Director of Curriculum Services
Chris McKee	Director of Business Operations
Brenda Miller	Director of Instructional Accountability
Pauletta Crowley	Asst. Director Community & Student Services
Heidi Stickney	Asst. Director of Curriculum & Special Education
Kris Lankford	Assistant Treasurer

### **School District Supervisors**

Andreas Scheidt	Maintenance
Bob Conner	Custodial
Terry Williams	Transportation
Elizabeth Fenimore	Special Education
Sandy Blanck	Special Education
Chevonne Neal	Special Education
Jan Vanderplough	Special Education
Lisa Robison	Food Services
Matt Piening	Enrollment & Attendance Services
Barbara Hill	Early Childhood

BOARD OF EDUCATION







Government Finance Officers Association

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

Presented to

**Northwest Local School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

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ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Northwest Local School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2015.**

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director

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## **Financial Section**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

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 Northwest Local School District, Hamilton County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 20, 2016

**Northwest Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

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The discussion and analysis of Northwest Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2016 are as follows:

- General revenues accounted for \$82,715,932, or 80 percent, of total revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$20,420,786, or 20 percent, of total revenues of \$103,136,718.
- The School District had \$100,083,579 in expenses related to governmental activities; \$20,420,786 of these expenses was offset by program specific charges for services, grants, contributions, and interest. General revenues of \$82,715,932 were available to provide for these programs.

### **Overview of the Financial Statements**

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

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

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

### **Governmental-wide Financial Statements**

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2016?" The government-wide financial statements answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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*Management's Discussion and Analysis*  
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*Unaudited*

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**Fund Financial Statements**

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

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

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

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

**The School District as a Whole**

As stated previously, the statement of net position looks at the School District as a whole. Table I provides a summary of the School District's net position for fiscal year 2016 compared to fiscal year 2015:

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Table 1  
Net Position  
Governmental Activities

	<u>2016</u>	<u>2015</u>
Assets:		
Current and Other Assets	\$187,442,529	\$106,295,304
Capital Assets, Net	<u>35,372,068</u>	<u>33,084,880</u>
Total Assets	222,814,597	139,380,184
Deferred Outflows of Resources:		
Pension	14,092,268	7,876,069
Liabilities:		
Current and Other Liabilities	10,420,053	11,165,513
Long-Term Liabilities:		
Due Within One Year	3,537,919	2,621,580
Due in More Than One Year:		
Other	103,948,425	25,363,754
Net Pension Liability	<u>122,477,633</u>	<u>105,890,986</u>
Total Liabilities	240,384,030	145,041,833
Deferred Inflows of Resources:		
Property Taxes	31,768,028	28,866,695
Payment in Lieu of Taxes	3,888,963	4,008,794
Pension	<u>7,583,751</u>	<u>19,109,977</u>
Total Deferred Inflows of Resources	43,240,742	51,985,466
Net Position:		
Net Investment in Capital Assets	7,242,252	8,822,606
Restricted	11,481,625	3,612,634
Unrestricted (Deficit)	<u>(65,441,784)</u>	<u>(62,206,286)</u>
Total Net Position	<u>(\$46,717,907)</u>	<u>(\$49,771,046)</u>

Current and other assets increased due to increased cash in banking and investment institutions due to unspent proceeds from bond issuances at year-end. Accrued interest also increased as a result of the increased cash balances at year-end. Intergovernmental receivables increased due to the timing of grant draws from the state CCIP system. These increases were partially offset by a decrease in property taxes receivable. This decrease was the result of decreases in estimates of tax collections and delinquencies. Increases in capital assets are the result of construction in progress for new turf at the athletic complex, building and educational improvements within the School District, as well as technology and bus purchases within the equipment classification. Deferred outflows of resources increased as a result of the increase in the School District's proportionate share of the state-wide net pension liability. Current and other liabilities decreased as a result of decreases in accounts and contracts payable as a result of timing of payments of year-end obligations and completion of 2015's outstanding contracts. Matured compensated absences also decreased significantly between years due to a significant decrease in retirees between years. These decreases were partially offset by increases in accrued wages and benefits and accrued interest payable. Accrued wages increased due to an increase in accrued days by year-end as compared to the prior year. Accrued interest payable increased due to the increase in debt balances at year-end. Deferred inflows of resources decreased due to a decrease in amounts for pensions due to current year amortization. This decrease was partially offset by an increase in amounts for property taxes which increased due to a decrease in amounts available for

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advances. A portion of the School District's net position, \$11,481,625, represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use. Continued budget reductions contributed to the increase in the School District's net position. Net investment in capital assets at June 30, 2016 was \$7,242,252. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's net investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Table 2 shows the changes in net position for fiscal years 2016 and 2015.

Table 2  
Change in Net Position  
Governmental Activities

	2016	2015
Revenues:		
Program Revenues:		
Charges for Services and Sales	\$4,055,706	\$5,010,447
Operating Grants, Contributions, and Interest	15,678,347	15,624,474
Capital Grants, Contributions, and Interest	686,733	0
Total Program Revenues	20,420,786	20,634,921
General Revenues:		
Property Taxes	44,994,812	48,141,679
Grants and Entitlements	32,581,232	34,089,574
Other	5,139,888	5,138,342
Total General Revenues	82,715,932	87,369,595
Total Revenues	103,136,718	108,004,516
Program Expenses:		
Instruction	58,194,635	55,737,691
Support Services:		
Pupils and Instructional Staff	8,505,784	8,857,080
Board of Education, Administration, Fiscal, and Business	8,676,170	7,900,009
Operation and Maintenance of Plant	6,532,591	7,085,017
Pupil Transportation	5,175,348	5,805,654
Central	1,257,223	1,312,068
Operation of Non-Instructional Services	7,252,128	7,822,810
Extracurricular Activities	1,677,146	1,730,914
Debt Service:		
Interest and Fiscal Charges	2,206,248	949,047
Issuance Costs	606,306	0
Total Program Expenses	100,083,579	97,200,290
Change in Net Position	3,053,139	10,804,226
Net Position at Beginning of Year	(49,771,046)	(60,575,272)
Net Position at End of Year	(\$46,717,907)	(\$49,771,046)

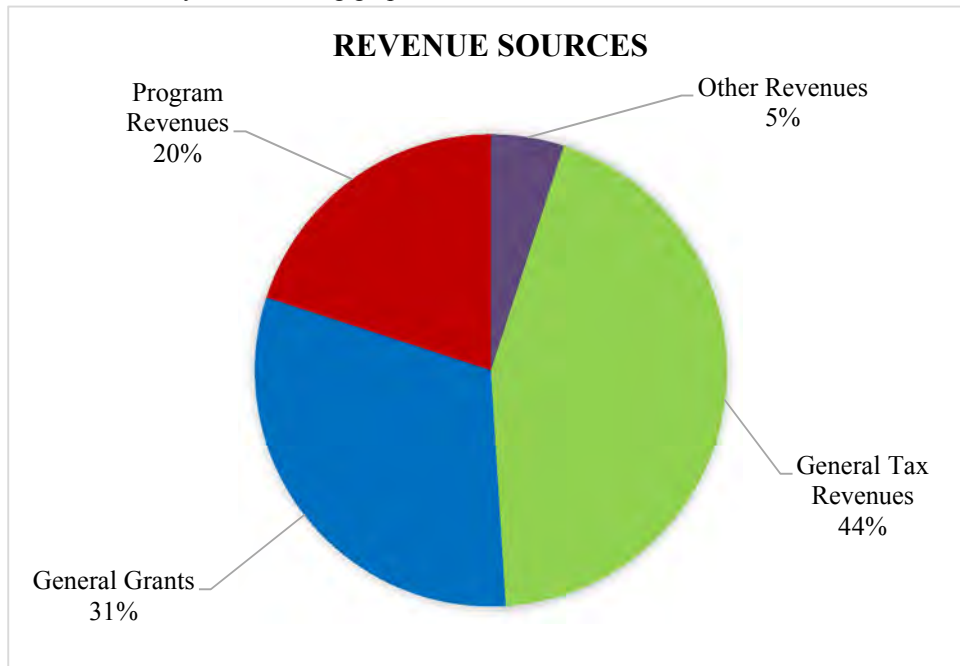
**Northwest Local School District**  
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The School District revenues are mainly from two sources. Property taxes levied for general, capital outlay, and debt service purposes and grants and entitlements not restricted to specific programs comprised 75 percent of the School District's revenues for governmental activities.

The School District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and the inflationary increase in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay \$35.00.

Thus Ohio school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up about 44 percent of revenue for governmental activities for the School District in fiscal year 2016. The School District's reliance upon tax revenues is demonstrated by the following graph:



General revenues decreased mainly due to decrease in property taxes estimates, amounts available for advance, and delinquencies. In addition, unrestricted grants and entitlements decreased due to a decrease in state reimbursements related to property taxes. These decreases were partially offset by an increase in investment earnings due to increases in earnings on significant unspent debt proceeds in banks. Program revenues decrease between years due to a decrease in charges for services and sales due to a reduction in tuition and fees passed through the state foundation from other districts, which was partially offset by capital grants, contributions, and interest due to significant interest recognized for building project.

Instruction comprises 58 percent of governmental program expenses. Support services expenses were 30 percent of governmental program expenses. Interest and all other expenses were 12 percent. Interest expense was attributable to the outstanding borrowings for capital projects. Instruction and support services increased in total of \$1,644,232, as a result of wage and step increases, the addition of the blended learning and economically disadvantaged summer school programs, and increases in medical premiums. Operation of maintenance and plant decreased due to decreased repairs and maintenance costs. Pupil transportation decreased due to decreases in uncapitalized equipment purchases from the prior year. Operation of non-instructional services decreased because of decreased expenses for non-public programs. Interest increased due to increased outstanding debt obligations.

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

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction	\$58,194,635	\$55,737,691	\$49,235,134	\$46,771,576
Support Services:				
Pupils and Instructional Staff	8,505,784	8,857,080	6,642,152	7,177,410
Board of Education, Administration, Fiscal, and Business	8,676,170	7,900,009	7,696,769	7,233,228
Operation and Maintenance of Plant	6,532,591	7,085,017	5,811,188	6,175,887
Pupil Transportation	5,175,348	5,805,654	4,910,213	5,418,501
Central	1,257,223	1,312,068	1,224,898	1,312,068
Operation of Non-Instructional Services	7,252,128	7,822,810	66,148	175,921
Extracurricular Activities	1,677,146	1,730,914	1,263,737	1,351,731
Debt Service:				
Interest and Fiscal Charges	2,206,248	949,047	2,206,248	949,047
Issuance Costs	606,306	0	606,306	0
Total Program Expenses	<u>\$100,083,579</u>	<u>\$97,200,290</u>	<u>\$79,662,793</u>	<u>\$76,565,369</u>

**The School District's Funds**

The School District has two major governmental funds: the General Fund and the Building Fund. Assets of the General Fund comprised \$89,645,619 (48 percent) of the \$187,657,182 total governmental fund assets. Assets of the Building Fund comprised \$76,437,422 (41 percent).

*General Fund* – The School District's fund balance at June 30, 2016 was \$49,169,762, including \$39,937,115 of unassigned balance. The primary reason for the \$1,674,285 decrease in fund balance was due to a decrease in revenues and an increase in expenditures between years.

*Building Fund* – The School District's fund balance at June 30, 2016 was \$76,350,479, which was all restricted for capital outlay. The primary reason for the \$76,299,170 increase in fund balance was due to the School District's issuance of school improvement bonds of \$76,000,000, which was significantly unspent by year-end, and investment earnings on those unspent proceeds.

**General Fund Budgeting Highlights**

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

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

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For the General Fund, final budgeted revenue was \$86,884,012, compared to original budget estimates of \$87,712,179. Of the \$828,167 decrease, most was due to a decrease in state reimbursements related to property taxes and tuition and fees related to collections from other districts.

For the General Fund, the final appropriations were \$85,918,699 and the original appropriations were \$84,283,741. This represents a \$1,634,958 increase in appropriations. This is due mainly for an increase in administration and plant costs in excess of a reduction in regular instruction. The variance in appropriations versus expenditures was expected, giving authority to a greater range of appropriations, knowing that other internal controls will only allow those expenditures, when entirely necessary, coupled with legislative authority by consent of the Board of Education. The Administration and Board of Education have made additional dollars available in many categories in order to facilitate the educational needs of the School District as they arise. With the School District's tight internal controls, additional monies are appropriated in order to allow those individuals in charge to be creative in meeting their students' educational needs. The School District believes that appropriations should be prepared to operate in the best manner to meet the needs of those being educated. It is the School District's goal to allow funds to fully supplement the educational structure doing so in an effective and efficient manner. Judgment is used to value, educationally, the cash outlay for the benefit given. Both the Superintendent and the Treasurer of the School District have hands-on oversight of all School District purchases prior to being approved.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2016, the School District had \$35,372,068 invested in land, construction in progress, buildings and improvements, and equipment, net of accumulated depreciation. Table 4 shows fiscal year 2016 balances compared to fiscal year 2015.

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

	2016	2015
Land	\$3,671,699	\$3,668,199
Construction in Progress	729,080	0
Buildings and Improvements	26,514,010	26,104,373
Equipment	4,457,279	3,312,308
Total Capital Assets, Net	\$35,372,068	\$33,084,880

See note 8 to the basic financial statements for more details on the School District's capital assets.

***Debt***

At June 30, 2016, the School District had \$103,811,537 in bonds outstanding, \$2,870,000 due within one year. Table 5 summarizes bonds outstanding.



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*Management's Discussion and Analysis*  
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Table 5  
 Outstanding Debt at June 30  
 Governmental Activities

	2016	2015
2005 Refunding Bonds:		
Current Interest Bonds	\$3,295,000	\$12,115,000
Capital Appreciation Bonds	0	695,000
Accretion of Interest	0	542,196
2013 QZAB Bonds	3,190,000	3,460,000
2013 Tax-Exempt Bonds	1,145,000	1,230,000
2013 Certificates of Participation	5,565,000	5,895,000
2015 School Improvement Refunding Bonds	8,555,000	0
2015/2016 School Improvement Bonds	76,000,000	0
Premium on Debt	6,061,537	345,954
Total Debt	\$103,811,537	\$24,283,150

See note 13 to the basic financial statements for further details on the School District's debt.

**For the Future**

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

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

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

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

**Northwest Local School District**  
*Statement of Net Position*  
*As of June 30, 2016*

	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$132,542,871
Inventory Held for Resale	48,240
Accrued Interest Receivable	204,461
Accounts Receivable	65,321
Intergovernmental Receivable	1,853,593
Property Taxes Receivable	48,801,858
Payment in Lieu of Taxes Receivable	3,888,963
Restricted Cash and Cash Equivalents	37,222
Capital Assets:	
Land and Construction in Progress	4,400,779
Depreciable Capital Assets, net	30,971,289
<i>Total Assets</i>	222,814,597
<b>Deferred Outflows of Resources:</b>	
Pension	14,092,268
<i>Total Deferred Outflows of Resources</i>	14,092,268
<b>Liabilities:</b>	
Accounts Payable	122,780
Accrued Wages and Benefits	8,285,104
Contracts Payable	123,038
Intergovernmental Payable	1,324,396
Accrued Interest Payable	314,650
Matured Compensated Absences Payable	76,198
Retainage Payable	37,222
Claims Payable	136,665
Long-Term Liabilities:	
Due Within One Year	3,537,919
Due in More Than One Year	
Other	103,948,425
Net Pension Liability	122,477,633
<i>Total Liabilities</i>	240,384,030
<b>Deferred Inflows of Resources:</b>	
Property Taxes not Levied to Finance Current Year Operations	31,768,028
Payment in Lieu of Taxes not Intended to Finance Current Year Operations	3,888,963
Pension	7,583,751
<i>Total Deferred Inflows of Resources</i>	43,240,742
<b>Net Position:</b>	
Net Investment in Capital Assets	7,242,252
Restricted for:	
Debt Service	9,413,394
Capital Outlay	520,199
Special Trust	250,577
Career Consultant Grant	6,801
Athletics	247,599
Auxiliary Services	399,042
State Grants	11,111
Federal Grants	520,804
Endowment:	
Expendable	33,098
Nonexpendable	79,000
Unrestricted (Deficit)	(65,441,784)
<i>Total Net Position</i>	(\$46,717,907)

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2016

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest	
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$41,274,179	\$1,210,133	\$305,904	\$25,595	(\$39,732,547)
Special	15,925,111	329,975	7,021,588	0	(8,573,548)
Vocational	43,202	411	38,470	0	(4,321)
Student Intervention Services	58,431	1,408	0	0	(57,023)
Other	893,712	21,441	4,576	0	(867,695)
Support Services:					
Pupils	5,527,800	130,373	404,327	0	(4,993,100)
Instructional Staff	2,977,984	65,553	1,263,379	0	(1,649,052)
Board of Education	144,646	3,566	72	0	(141,008)
Administration	6,366,536	138,386	721,816	0	(5,506,334)
Fiscal	1,900,112	42,824	53	66,361	(1,790,874)
Business	264,876	6,323	0	0	(258,553)
Operation and Maintenance of Plant	6,532,591	146,998	909	573,496	(5,811,188)
Pupil Transportation	5,175,348	230,065	14,170	20,900	(4,910,213)
Central	1,257,223	30,018	2,307	0	(1,224,898)
Operation of Non-Instructional Services	7,252,128	1,304,822	5,881,158	0	(66,148)
Extracurricular Activities	1,677,146	393,410	19,618	381	(1,263,737)
Debt Service:					
Interest and Fiscal Charges	2,206,248	0	0	0	(2,206,248)
Issuance Costs	606,306	0	0	0	(606,306)
<i>Total Governmental Activities</i>	<u>\$100,083,579</u>	<u>\$4,055,706</u>	<u>\$15,678,347</u>	<u>\$686,733</u>	<u>(79,662,793)</u>

**General Revenues:**

Property Taxes Levied for:	
General Purposes	37,571,044
Debt Service	5,112,378
Capital Outlay	2,311,390
Payments in Lieu of Taxes	3,635,600
Grants and Entitlements not Restricted for Specific Programs	32,581,232
Unrestricted Gifts and Donations	114,020
Gain on Sale of Assets	758
Investment Earnings	584,226
Miscellaneous	805,284
<i>Total General Revenues</i>	<u>82,715,932</u>
<i>Change in Net Position</i>	3,053,139
<i>Net Position Beginning of Year</i>	<u>(49,771,046)</u>
<i>Net Position End of Year</i>	<u><u>(\$46,717,907)</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*As of June 30, 2016*

	General Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$43,985,824	\$76,332,490	\$11,652,278	\$131,970,592
Inventory Held for Resale	0	0	48,240	48,240
Accrued Interest Receivable	99,529	104,932	0	204,461
Accounts Receivable	16,798	0	48,523	65,321
Interfund Receivable	786,933	0	0	786,933
Intergovernmental Receivable	34,140	0	1,819,453	1,853,593
Property Taxes Receivable	40,833,432	0	7,968,426	48,801,858
Payment in Lieu of Taxes Receivable	3,888,963	0	0	3,888,963
Restricted Cash and Cash Equivalents	0	0	37,222	37,222
<i>Total Assets</i>	<u>\$89,645,619</u>	<u>\$76,437,422</u>	<u>\$21,574,142</u>	<u>\$187,657,183</u>
<b>Liabilities:</b>				
Accounts Payable	\$34,539	\$0	\$88,241	\$122,780
Accrued Wages and Benefits	7,624,779	0	660,325	8,285,104
Contracts Payable	0	86,943	36,095	123,038
Interfund Payable	0	0	786,933	786,933
Intergovernmental Payable	1,219,505	0	104,891	1,324,396
Matured Compensated Absences Payable	44,639	0	31,559	76,198
Retainage Payable	0	0	37,222	37,222
<i>Total Liabilities</i>	8,923,462	86,943	1,745,266	10,755,671
<b>Deferred Inflows of Resources:</b>				
Property Taxes not Levied to Finance Current Year Operations	26,722,111	0	5,045,917	31,768,028
Payment in Lieu of Taxes not Intended to Finance Current Year Operations	3,888,963	0	0	3,888,963
Unavailable Revenue	941,321	0	1,214,245	2,155,566
<i>Deferred Inflows of Resources</i>	31,552,395	0	6,260,162	37,812,557
<b>Fund Balances:</b>				
Nonspendable	0	0	79,000	79,000
Restricted	0	76,350,479	10,299,228	86,649,707
Committed	400,062	0	3,445,759	3,845,821
Assigned	8,832,585	0	0	8,832,585
Unassigned (Deficit)	39,937,115	0	(255,273)	39,681,842
<i>Total Fund Balances</i>	<u>49,169,762</u>	<u>76,350,479</u>	<u>13,568,714</u>	<u>139,088,955</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$89,645,619</u>	<u>\$76,437,422</u>	<u>\$21,574,142</u>	<u>\$187,657,183</u>

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
As of June 30, 2016*

<b>Total Governmental Fund Balances</b>		\$139,088,955
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		35,372,068
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Intergovernmental	1,011,736	
Taxes	<u>1,143,830</u>	2,155,566
The internal service fund is used by management to charge the costs of workers' compensation claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		435,614
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(314,650)
The net pension liability is not due and payable in the current period. Therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows-Pension	14,092,268	
Deferred Inflows-Pension	(7,583,751)	
Net Pension Liability	<u>(122,477,633)</u>	(115,969,116)
Long-term liabilities, including bonds and related liabilities, capital leases, and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Bonds Payable	(3,295,000)	
QZAB Payable	(3,190,000)	
Tax-Exempt Bonds Payable	(1,145,000)	
Certificates of Participation Payable	(5,565,000)	
School Improvement Refunding Bonds Payable	(8,555,000)	
School Improvement Bonds Payable	(76,000,000)	
Premium on Bonds and Certificates of Participation	(6,061,537)	
Capital Lease Payable	(148,559)	
Compensated Absences	<u>(3,526,248)</u>	(107,486,344)
<b>Net Position of Governmental Activities</b>		<u><u>(\$46,717,907)</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2016*

	General Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$38,267,879	\$0	\$7,374,365	\$45,642,244
Intergovernmental	36,223,094	0	11,491,160	47,714,254
Interest	286,038	148,936	16,572	451,546
Increase in Fair Value of Investments	310,106	406,897	0	717,003
Tuition and Fees	1,140,812	0	0	1,140,812
Rent	652,427	0	0	652,427
Extracurricular Activities	0	0	480,624	480,624
Gifts and Donations	195,782	0	207,125	402,907
Charges for Services	491,336	0	1,290,507	1,781,843
Payment in Lieu of Taxes	3,635,600	0	0	3,635,600
Miscellaneous	742,513	0	62,771	805,284
<i>Total Revenues</i>	<u>81,945,587</u>	<u>555,833</u>	<u>20,923,124</u>	<u>103,424,544</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	39,252,649	0	337,859	39,590,508
Special	13,859,721	0	2,294,716	16,154,437
Vocational	17,088	0	25,887	42,975
Student Intervention Services	58,431	0	0	58,431
Other	890,487	0	1,115	891,602
<b>Support Services:</b>				
Pupils	5,294,059	0	340,217	5,634,276
Instructional Staff	1,861,847	0	1,205,420	3,067,267
Board of Education	144,321	0	336	144,657
Administration	5,618,026	0	702,079	6,320,105
Fiscal	1,791,130	24,510	89,990	1,905,630
Business	310,861	0	0	310,861
Operation and Maintenance of Plant	6,186,545	232,153	186,216	6,604,914
Pupil Transportation	4,954,055	0	127,899	5,081,954
Central	1,290,448	0	10,727	1,301,175
Operation of Non-Instructional Services	196,625	0	7,151,860	7,348,485
Extracurricular Activities	1,316,474	0	375,033	1,691,507
Capital Outlay	653,208	0	4,100,150	4,753,358
<b>Debt Service:</b>				
Principal	30,307	0	2,160,000	2,190,307
Interest	13,214	0	2,071,841	2,085,055
Issuance Costs	0	0	606,306	606,306
<i>Total Expenditures</i>	<u>83,739,496</u>	<u>256,663</u>	<u>21,787,651</u>	<u>105,783,810</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,793,909)	299,170	(864,527)	(2,359,266)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	60,000	60,000
School Improvement Bonds Issued	0	76,000,000	0	76,000,000
School Improvement Refunding Bonds Issued	0	0	8,655,000	8,655,000
Premium on School Improvement Bonds Issued	0	0	5,677,317	5,677,317
Premium on School Improvement Refunding Bonds Issued	0	0	387,745	387,745
Proceeds from Sale of Assets	758	0	0	758
Inception of Capital Lease	178,866	0	0	178,866
Transfers Out	(60,000)	0	0	(60,000)
Payment to Refunded Bond Escrow Agent	0	0	(8,913,295)	(8,913,295)
<i>Total Other Financing Sources (Uses)</i>	<u>119,624</u>	<u>76,000,000</u>	<u>5,866,767</u>	<u>81,986,391</u>
<i>Net Change in Fund Balances</i>	(1,674,285)	76,299,170	5,002,240	79,627,125
<i>Fund Balance at Beginning of Year</i>	<u>50,844,047</u>	<u>51,309</u>	<u>8,566,474</u>	<u>59,461,830</u>
<i>Fund Balance at End of Year</i>	<u>\$49,169,762</u>	<u>\$76,350,479</u>	<u>\$13,568,714</u>	<u>\$139,088,955</u>

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2016*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$79,627,125
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation in the current period.		
Capital Asset Additions	4,753,358	
Current Year Depreciation	<u>(1,637,544)</u>	3,115,814
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(849,526)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	337,948	
Taxes	(647,432)	
Contribution of Donated Capital Asset	<u>20,900</u>	(288,584)
The internal service fund is used by management to charge the costs of workers' compensation claims to individual funds. The net income (loss) of the internal service fund is reported with governmental activities.		
		33,115
Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.		
		7,269,309
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(6,113,531)
Long-term debt proceeds and inception of capital leases are other financing sources in the governmental funds but the issuance increases the long-term liabilities on the statement of net position.		
School Improvement Refunding Bonds Issued	(8,655,000)	
School Improvement Bonds Issued	(76,000,000)	
Premium on School Improvement Refunding Bonds Issued	(387,745)	
Premium on School Improvement Bonds Issued	(5,677,317)	
Inception of Capital Lease	<u>(178,866)</u>	(90,898,928)
Repayments of long-term debt are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position. In the current fiscal year, these amounts consist of:		
Bond Principal Retirement	10,550,000	
Certificates of Participation Principal Retirement	330,000	
Capital Lease Principal Payments	<u>30,307</u>	10,910,307
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the statement of activities is the result of the following:		
Increase in Accrued Interest	(239,573)	
Amortization of Premiums	349,479	
Accretion on Capital Appreciation Bonds	<u>(37,804)</u>	72,102
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in Compensated Absences	<u>175,936</u>	<u>175,936</u>
<b>Net Change in Net Position of Governmental Activities</b>		<u><u>\$3,053,139</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Statement of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$42,834,449	\$43,553,070	\$43,550,879	(\$2,191)
Intergovernmental	38,090,507	36,352,507	36,352,636	129
Interest	200,000	336,321	360,784	24,463
Tuition and Fees	1,611,400	823,356	821,966	(1,390)
Rent	600,000	666,569	662,789	(3,780)
Gifts and Donations	0	114,020	114,020	0
Charges for Services	359,800	491,850	491,208	(642)
Payments in Lieu of Taxes	3,886,023	3,852,598	3,635,600	(216,998)
Miscellaneous	130,000	693,721	691,597	(2,124)
<i>Total Revenues</i>	<u>87,712,179</u>	<u>86,884,012</u>	<u>86,681,479</u>	<u>(202,533)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	42,629,096	40,156,377	39,555,809	600,568
Special	14,799,835	14,285,704	14,148,974	136,730
Vocational	1,560	17,088	17,088	0
Student Intervention Services	211,523	255,568	158,814	96,754
Other	648,281	778,684	773,453	5,231
<b>Support Services:</b>				
Pupils	5,216,033	5,488,938	5,472,275	16,663
Instructional Staff	1,989,520	1,934,276	1,905,446	28,830
Board of Education	18,988	151,323	149,997	1,326
Administration	3,828,507	5,842,362	5,806,080	36,282
Fiscal	1,419,616	1,821,459	1,811,070	10,389
Business	300,404	301,718	299,626	2,092
Operation and Maintenance of Plant	6,173,400	6,680,873	6,647,448	33,425
Pupil Transportation	5,123,897	5,415,275	5,395,814	19,461
Central	822,558	1,302,821	1,293,406	9,415
Operation of Non-Instructional Services	20,342	191,428	181,792	9,636
Extracurricular Activities	1,080,181	1,294,805	1,287,663	7,142
<i>Total Expenditures</i>	<u>84,283,741</u>	<u>85,918,699</u>	<u>84,904,755</u>	<u>1,013,944</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,428,438</u>	<u>965,313</u>	<u>1,776,724</u>	<u>811,411</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	4,000	4,000	0
Advances In	0	40,800	40,800	0
Proceeds from Sale of Assets	0	758	758	0
Transfers Out	(150,000)	(183,099)	(183,099)	0
Advances Out	0	(815,323)	(765,323)	50,000
<i>Total Other Financing Sources (Uses)</i>	<u>(150,000)</u>	<u>(952,864)</u>	<u>(902,864)</u>	<u>50,000</u>
<i>Net Change in Fund Balance</i>	<u>3,278,438</u>	<u>12,449</u>	<u>873,860</u>	<u>861,411</u>
<i>Fund Balance at Beginning of Year</i>	<u>40,881,614</u>	<u>40,881,614</u>	<u>40,881,614</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>763,857</u>	<u>763,857</u>	<u>763,857</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$44,923,909</u>	<u>\$41,657,920</u>	<u>\$42,519,331</u>	<u>\$861,411</u>

The notes to the basic financial statements are an integral part of this statement.



**Northwest Local School District**  
*Statement of Fund Net Position*  
*Internal Service Fund*  
*As of June 30, 2016*

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	Workers' Compensation Fund
<b>Assets:</b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$572,279</u>
<i>Total Assets</i>	572,279
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Claims Payable	<u>136,665</u>
<i>Total Liabilities</i>	136,665
<b>Net Position:</b>	
Unrestricted	<u>435,614</u>
<i>Total Net Position</i>	<u><u>\$435,614</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Statement of Revenues, Expenses, and Changes in Fund Net Position*  
*Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2016*

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	<u>Workers' Compensation Fund</u>
<b>Operating Revenues:</b>	
Charges for Services	<u>\$345,730</u>
<i>Total Operating Revenues</i>	345,730
<b>Operating Expenses:</b>	
Fringe Benefits	15,284
Purchased Services	63,199
Materials and Supplies	14,000
Claims	116,690
Other	<u>103,442</u>
<i>Total Operating Expenses</i>	<u>312,615</u>
<i>Operating Income</i>	33,115
<i>Net Position Beginning of Year</i>	<u>402,499</u>
<i>Net Position End of Year</i>	<u><u>\$435,614</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Fiscal Year Ended June 30, 2016

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	Workers' Compensation Fund
<b>Increase in Cash and Cash Equivalents:</b>	
<b>Cash Flows from Operating Activities:</b>	
Interfund Services Provided	\$345,730
Cash Payments to Suppliers for Goods and Services	(92,483)
Cash Payments for Claims	(57,367)
Cash Payments to Others	(103,442)
<i>Net Increase in Cash and Cash Equivalents</i>	92,438
<i>Cash and Cash Equivalents at Beginning of Year</i>	479,841
<i>Cash and Cash Equivalents at End of Year</i>	\$572,279
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income	\$33,115
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</i>	
Increase in Claims Payable	59,323
<i>Net Cash Provided by Operating Activities</i>	\$92,438

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Fund*  
*As of June 30, 2016*

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	<u>Agency Fund</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$115,561</u>
<i>Total Assets</i>	<u><u>\$115,561</u></u>
<b>Liabilities:</b>	
Undistributed Monies	\$2,718
Due to Students	<u>112,843</u>
<i>Total Liabilities</i>	<u><u>\$115,561</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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**Note 1 – Description of the School District**

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

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

The School District services an area of 56 square miles, including all of Colerain Township, and portions of Green and Springfield Townships. The School District is 99 percent in Hamilton County, and a small area is in Ross Township, Butler County, on its northern boundary line.

The School District currently has approximately 8,930 students enrolled in seven elementary schools, three middle schools, and two senior high schools. The School District has two career centers serving junior and senior students. There are 1,066 full time and 3 part-time employees to provide services to the students. The School District is the 2nd largest public school district in Hamilton County and the 21<sup>st</sup> largest of all school districts in Ohio.

**Reporting Entity**

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

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

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

The School District participates in three jointly governed organizations. These organizations are presented in note 15 to the basic financial statements. These organizations are Southwest Ohio Computer Association, Butler Technology and Career Development School, and Southwest Ohio Organization of School Health.

**Note 2 – Summary of Significant Accounting Policies**

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

**Basis of Presentation**

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

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The government-wide financial statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

**Fund Financial Statements**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented on the face of the proprietary fund statements. Fiduciary funds are reported by type.

**Fund Accounting**

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

## **Governmental Funds**

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

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

*Building Fund* – The building fund is used to account for and report all transactions related to school improvement bond proceeds and uses. These bonds were issued for the purpose of paying costs of new construction, improvements, renovations, and additions to school facilities and providing equipment, furnishings, and other improvements.

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

## **Proprietary Funds**

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

## **Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary fund is an agency fund. The School District's agency fund accounts for assets and liabilities generated by student managed activities.

## **Measurement Focus**

### **Government-wide Financial Statements**

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

## **Fund Financial Statements**

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

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

## **Basis of Accounting**

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

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available for advance, tuition and fees, rental, miscellaneous, charges for services, donations, extracurricular, grants and interest revenue.



**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has deferred outflows of resources that are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and pension. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental funds balance sheet. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The School District has deferred inflows of resources that are reported on the government-wide statement of net position for pension. The deferred inflows of resources related to pension are explained in Note 10.

**Expenses/Expenditures**

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

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

**Cash and Cash Equivalents**

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

During fiscal year 2016, the School District invested in money market mutual funds, commercial paper, the State Treasury Asset Reserve of Ohio (STAROhio), and federal government agency securities. Investments are reported at fair value, which is based on quoted market prices, except for mutual funds, which are based on current share price.

STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for on June 30, 2016.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$286,038, which includes \$63,017 assigned from other School District funds. The School District also credited interest to the building fund and nonmajor governmental funds in the amounts of \$148,936 and \$16,572, respectively. In addition, the School District experienced an increase in fair value on investments of \$717,003, \$310,106 of which was credited to the general fund with the remaining \$406,897 was credited to the building fund. \$68,319 of the general fund's increase in fair value of investments is assigned from other School District funds.

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

**Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the nonmajor permanent improvement fund are amounts held for retainage.

**Interfund Balances**

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

**Inventory**

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

**Capital Assets**

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

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

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

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

### **Compensated Absences**

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

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

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

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

### **Pension**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

### **Accrued Liabilities and Long-Term Obligations**

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

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

### **Fund Balance**

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

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or are 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.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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

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

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

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

### **Net Position**

Net position represents the difference between all other elements on the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for the special trust, career consultant grant, athletics, an endowment, and state and federal grants.

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

### **Internal Activity**

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

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers and are eliminated from the statement of activities. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

### **Budgetary Process**

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

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

Since the statement of revenues, expenditures, and changes in fund balance presented in the basic financial statements for the general fund presents budgetary comparisons at a greater level of detail than the legal level of control established by the Board of Education, no additional schedules are necessary to demonstrate budgetary compliance.

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

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

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

### **Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are interfund charges for services for workers' compensation self-insurance. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

### **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, 2016*

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**Note 3 - Accountability**

At June 30, 2016, the following funds had a deficit fund balance:

Funds	Amounts
Public School Preschool	\$17,488
IDEA-B Special Education	112,999
Title I	109,430
Title II-A	15,356

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

**Note 4 – Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures, and changes in fund balance-budget (non-GAAP basis) and actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).
4. The change in fair value of investments is not included on the budget basis operating statement. This amount is included on the GAAP basis operating statement.
5. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
6. Budgetary revenues and expenditures of the uniform school supplies and public school support special revenue funds are reported within the general fund for GAAP presentation purposes.

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

	Net Change in Fund Balance
GAAP Basis	(\$1,674,285)
Adjustments:	
Revenue Accruals	4,746,758
Expenditure Accruals	(437,531)
Encumbrances	(1,114,636)
Change in Fair Value of Investments - Fiscal Year 2016	310,106
Change in Fair Value of Investments - Fiscal Year 2015	(40,949)
(Excess) Deficit of Funds Combined with General Fund for Reporting Purposes	(191,080)
Advances	(724,523)
Budget Basis	\$873,860

**Note 5 – Deposits and Investments**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

**Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. All deposits are collateralized with eligible securities. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at federal reserve banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the federal reserve bank in the name of the School District. The School District's policy does not address this risk beyond the requirements of the Ohio Revised Code.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2016

At June 30, 2016, the carrying amount of all School District deposits was \$13,771,272. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of June 30, 2016, \$3,167,312 of the School District's bank balance of \$14,747,035 was covered by Federal Deposit Insurance. The remaining \$11,579,723 was collateralized with securities held by the School District or its agent in the School District's name.

**Investments**

As of June 30, 2016, the School District had the following investments:

Investment Type	Fair Value	Maturity			% of Portfolio	Credit Rating
		< 1 Year	1-2 Years	3-5 Years		
Money Market Fund	\$62,755	\$62,755	\$0	\$0	0.05%	AAAm
Commercial Paper:						
Abbott	4,563,259	4,563,259	0	0	3.84%	A-1+
Apple	3,402,719	3,402,719	0	0	2.86%	A-1+
BNP Paribas	5,989,080	5,989,080	0	0	5.03%	A-1
Chevron Co.	3,722,063	3,722,063	0	0	3.13%	A-1+
Coca Cola Company	3,093,614	3,093,614	0	0	2.60%	A-1+
JP Morgan	6,128,642	6,128,642	0	0	5.15%	A-1
Toyota Motor Credit	6,143,916	6,143,916	0	0	5.17%	A-1+
UBS Finance	4,699,636	4,699,636	0	0	3.95%	A-1
STAROhio	35,273	35,273	0	0	0.03%	AAAm
FHLB	19,000,542	2,003,050	16,997,492	0	15.98%	AA+
FHLMC	25,318,382	0	13,085,275	12,233,107	21.29%	AA+
FNMA	16,789,009	475,108	11,686,451	4,627,450	14.12%	AA+
FFCB	19,975,492	0	12,476,273	7,499,219	16.80%	AA+
<b>Total</b>	<b>\$118,924,382</b>	<b>\$40,319,115</b>	<b>\$54,245,491</b>	<b>\$24,359,776</b>	<b>100.00%</b>	

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2016. As discussed further in Note 2, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

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

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

*Concentration of Credit Risk* – The School District's investment policy places no limit on the amount it may invest in any one issuer.

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



**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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**Note 6 – Property Taxes**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by state statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien December 31, 2014, were levied after April 1, 2015 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Hamilton County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows-property taxes.

The amount available as an advance at June 30, 2016 was \$13,170,000 in the general fund and \$2,720,000 in the nonmajor governmental funds.

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

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second- Half Collections		2016 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,384,139,410	96.69%	\$1,387,706,210	96.57%
Public Utility Personal	47,404,440	3.31%	49,276,380	3.43%
Total Assessed Value	\$1,431,543,850	100.00%	\$1,436,982,590	100.00%
Tax rate per \$1,000 of assessed valuation		\$59.57		\$58.87

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2016

**Note 7 – Receivables**

Receivables at June 30, 2016 consisted of property taxes, payment in lieu of taxes, intergovernmental grants, accounts (rent and student fees), accrued interest and interfund loans. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. A summary of the principal items of intergovernmental receivables follows:

	Amounts
<i>Major Fund:</i>	
General Fund	\$34,140
<i>Nonmajor Funds</i>	
Title I	699,808
Idea-B Special Education	866,080
Title II-A	85,865
Title I School Improvement Stimulus A	8,137
Public School Preschool	57,778
Early Childhood Special Education	17,671
Food Service	62,509
Miscellaneous	
Title III	19,292
Vocational Education Enhancement	2,313
Total Nonmajor Funds	1,819,453
Total	\$1,853,593

**Note 8 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance at 6/30/15	Additions	Deletions	Balance at 6/30/16
<i>Governmental Activities:</i>				
Capital Assets Not Being Depreciated:				
Land	\$3,668,199	\$3,500	\$0	\$3,671,699
Construction in Progress	0	729,080	0	729,080
Total Capital Assets Not Being Depreciated	3,668,199	732,580	0	4,400,779
Capital Assets Being Depreciated:				
Buildings and Improvements	64,611,993	1,908,253	(596,055)	65,924,191
Equipment	15,484,050	2,133,425	(862,480)	16,754,995
Total Capital Assets Being Depreciated	80,096,043	4,041,678	(1,458,535)	82,679,186
Less Accumulated Depreciation:				
Buildings and Improvements	(38,507,620)	(902,561)	0	(39,410,181)
Equipment	(12,171,742)	(734,983)	609,009	(12,297,716)
Total Accumulated Depreciation	(50,679,362)	(1,637,544)	609,009	(51,707,897)
Total Capital Assets Being Depreciated, Net	29,416,681	2,404,134	(849,526)	30,971,289
Governmental Activities Capital Assets, Net	\$33,084,880	\$3,136,714	(\$849,526)	\$35,372,068

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,076,068
Special	5,393
Vocational	268
Other	532
Support Services:	
Pupils	1,742
Instructional Staff	1,290
Administration	4,048
Fiscal	9,348
Business	2,632
Operations and Maintenance of Plant	47,931
Pupil Transportation	401,282
Central	1,779
Operation of Non-Instructional Services	66,876
Extracurricular Activities	18,355
Total Depreciation Expense	<u>\$1,637,544</u>

**Note 9 – Risk Management**

**Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2016, the School District contracted with Ohio Casualty Insurance Company for property and Argonaut for general liability insurance.

Professional liability is protected by Argonaut with \$3,000,000 each occurrence, \$3,000,000 aggregate limit. Vehicles are covered by Argonaut with a deductible for comprehensive collision of actual cash value or cost of repair, whichever is less. Public officials bond insurance is provided by Cincinnati Insurance Company. The Treasurer is covered by a bond in the amount of \$100,000.

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

**Workers' Compensation**

Beginning in July 2011, the School District began to self-insure its workers' compensation costs. Expenses for claims are recorded on the current cash basis. The School District accounts for the activities of this program in an internal service fund in accordance with GASB No. 10. The School District utilizes the services of Hunter Consulting, the third party administrator, to review, process, and pay employee claims. The School District also maintains excess insurance coverage which would pay the portion of claims that exceeds \$400,000 per occurrence for all employees.

Incurred but not reported claims and premium of \$136,665 have been accrued as a liability at June 30, 2016, based on an estimate by Hunter Consulting. The claims liability reported in the workers' compensation internal service fund at June 30, 2016 is based on the requirement of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
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Changes in self-insurance workers' compensation claims liability for 2015 and 2016 were:

Fiscal Year	Beginning Balance	Current Year Claims	Claim Payments	Ending Balance
2015	\$28,265	\$104,807	\$55,730	\$77,342
2016	77,342	116,690	57,367	136,665

**Note 10 – Defined Benefits Pension Plans**

**Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) state statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the state legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

**Plan Description - School Employees Retirement System (SERS)**

*Plan Description* – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information, and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under employers/audit resources.

Age and service requirements for retirement are as follows:

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	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary. One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

*Funding Policy* – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contributions to SERS were \$1,800,895 for fiscal year 2016. Of this amount \$0 is reported as an intergovernmental payable.

**Plan Description - State Teachers Retirement System (STRS)**

*Plan Description* – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3307. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement increased effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
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The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among 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. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013 must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

*Funding Policy* – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014 and July 1, 2015, and will increase one percent on July 1, 2016 when it reaches 14 percent. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$5,468,414 for fiscal year 2016. Of this amount, \$827,748 is reported as an intergovernmental payable.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$24,382,671	\$98,094,962	\$122,477,633
Proportion of the Net Pension Liability	0.427309%	0.3549397%	
Pension Expense	\$1,564,189	\$4,549,342	\$6,113,531

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$389,616	\$4,460,351	\$4,849,967
Changes in proportion and differences between School District contributions and proportionate share of contributions	435,818	1,537,174	1,972,992
School District contributions subsequent to the measurement date	<u>1,800,895</u>	<u>5,468,414</u>	<u>7,269,309</u>
Total Deferred Outflows of Resources	<u>\$2,626,329</u>	<u>\$11,465,939</u>	<u>\$14,092,268</u>
<i>Deferred Inflows of Resources</i>			
Net difference between projected and actual earnings on pension plan investments	<u>\$750,656</u>	<u>\$6,833,095</u>	<u>\$7,583,751</u>
Total Deferred Inflows of Resources	<u>\$750,656</u>	<u>\$6,833,095</u>	<u>\$7,583,751</u>

\$7,269,309 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2017	(\$136,082)	(\$1,137,676)	(\$1,273,758)
2018	(136,082)	(1,137,676)	(1,273,758)
2019	(137,898)	(1,137,678)	(1,275,576)
2020	<u>484,840</u>	<u>2,577,460</u>	<u>3,062,300</u>
Total	<u>\$74,778</u>	<u>(\$835,570)</u>	<u>(\$760,792)</u>

**Northwest Local School District**  
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**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the pension plan investments has been determined using a building block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:



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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
<b>Total</b>	<b>100.00 %</b>	

*Discount Rate* The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

*Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$33,810,003	\$24,382,671	\$16,444,082

**Actuarial Assumptions – STRS**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for males and females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
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Actuarial assumptions used in the June 30, 2015 valuation are based on the results of an actuarial experience study, effective July 1, 2012.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
 Total	 <u>100.00 %</u>	

*Discount Rate* The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

*Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$136,261,302	\$98,094,962	\$65,819,630

**Note 11 – Post-Employment Benefits**

**School Employees Retirement System**

*Health Care Plan Description* – The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMOs, PPOs, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under employers/audit resources.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
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Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility, and retirement status.

*Funding Policy* - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, 0 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was \$224,987.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$224,987, \$321,745, and \$319,693, respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

#### **State Teachers Retirement System of Ohio**

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

*Funding Policy* – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS Ohio did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$355,308, respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

#### **Note 12 – Employee Benefits**

##### **Compensated Absences**

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

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

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

Vacation	Certified	Administrators	Non-Certified
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-Certified
How earned	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)
Maximum Accumulation	250 days	262 days	250 to 272 days according to job classification
Vested	As earned	As earned	As earned
Termination Entitlement	Per contract	Per contract/policy	Per contract/policy

**Insurance**

The School District has elected to provide employee medical/surgical benefits through Anthem. 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 School District provides dental insurance to eligible employees through Dental Care Plus. The School District provides voluntary life and vision insurance at employee's expense. The School District provides life insurance and accidental death and dismemberment insurance to most employees through VOYA.

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**Note 13 – Long-Term Liabilities**

The change in the School District’s long-term obligations during fiscal year 2016 consists of the following:

	Beginning Balance	Issued	Retired	Ending Balance	Due in One Year
<b>Bonds Payable:</b>					
<b>2005 Refunding Bonds:</b>					
Current Interest Bonds	\$12,115,000	\$0	\$8,820,000	\$3,295,000	\$0
Capital Appreciation Bonds	695,000	0	695,000	0	0
Accretion of Interest	542,196	37,804	580,000	0	0
2013 QZAB Bonds	3,460,000	0	270,000	3,190,000	270,000
2013 Tax-Exempt Bonds	1,230,000	0	85,000	1,145,000	85,000
2013 Certificates of Participation	5,895,000	0	330,000	5,565,000	335,000
<b>2015 School Improvement</b>					
Refunding Bonds	0	8,655,000	100,000	8,555,000	1,440,000
2015 School Improvement Bonds	0	66,800,000	0	66,800,000	740,000
2016 School Improvement Bonds	0	9,200,000	0	9,200,000	0
<b>Premiums on Bonds:</b>					
2005 Refunding Bonds	237,450	0	193,295	44,155	0
2013 Tax-Exempt Bonds	25,458	0	2,064	23,394	0
2013 Certificates of Participation	83,046	0	5,862	77,184	0
<b>2015 School Improvement</b>					
Refunding Bonds	0	387,745	50,776	336,969	0
2015 School Improvement Bonds	0	5,205,425	86,757	5,118,668	0
2016 School Improvement Bonds	0	471,892	10,725	461,167	0
<b>Total Bonds</b>	<b>24,283,150</b>	<b>90,757,866</b>	<b>11,229,479</b>	<b>103,811,537</b>	<b>2,870,000</b>
<b>Other Long-Term Liabilities:</b>					
<b>Net Pension Liability:</b>					
SERS	21,155,805	3,226,866	0	24,382,671	0
STRS	84,735,181	13,359,781	0	98,094,962	0
<b>Total Net Pension Liability</b>	<b>105,890,986</b>	<b>16,586,647</b>	<b>0</b>	<b>122,477,633</b>	<b>0</b>
Compensated Absences	3,702,184	2,024,670	2,200,606	3,526,248	635,097
Capital Lease	0	178,866	30,307	148,559	32,822
<b>Total Long-Term Liabilities</b>	<b>\$133,876,320</b>	<b>\$109,548,049</b>	<b>\$13,460,392</b>	<b>\$229,963,977</b>	<b>\$3,537,919</b>

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

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

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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The School District defeased the 1998 School Improvement Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. On June 30, 2016, \$15,380,000 of the defeased bonds are still outstanding.

The capital appreciation bonds, issued at \$720,000, are not subject to prior redemption. The fiscal year 2016 accretion amount was \$37,804. The final maturity amount of the bonds is \$1,275,000 and the remaining bonds were fully repaid during the fiscal year.

On October 29, 2012, the School District issued \$4,000,000 Energy Conservation Limited Tax General Obligation Bonds which are Qualified Zone Academy Bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34). The bonds are being issued for the purpose of financing the energy conservation measures. The bonds were issued at the rate of 3.75 percent, with a maturity at December 1, 2027, with the entire principal balance coming due at maturity. With respect to the payment of the principal amount of the QZAB bonds, the School District has covenanted to set aside amount required to maintain the required sinking fund balance, on December 1 of each year, commencing on December 1, 2013, into the sinking fund account, to be applied to the payment of the principal amount of the QZAB bonds at maturity along with the investment earnings within the sinking fund account. The School District is required to place \$270,000 annually through fiscal year 2018 and \$265,000 annually from fiscal year 2019 through fiscal year 2028. A sinking fund has been established with a \$810,000 deposit as of June 30, 2016.

On October 29, 2012, the School District issued \$1,390,000 Energy Conservation Limited Tax General Obligation Bonds which are Bank Qualified. The bonds are being issued for the purpose of financing the energy conservation measures. The bonds were issued at a rate of 2 percent, with a maturity at December 1, 2027. Payment of principal and interest relating to this liability is recorded as expenditures in the permanent improvement fund.

On September 1, 2012, the School District issued \$6,500,000 Certificates of Participation to finance the renovation of Colerain High School and Northwest High School to facilitate a Geophysics STEM program at each location. The COPs issuance included a premium of \$99,655, which will be amortized over the life of the COPs. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased from the PS&W Holding Company. The COPs were issued through a series of annual leases with an initial lease term of 18 years which includes the right to renew for 17 successive one-year terms through December 1, 2029 with a termination date of December 1, 2029 subject to annual appropriations. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, annually. The base rent includes an interest component that begins at 2 percent. The School District has the option to purchase the renovations in whole or in part, on or after December 1, 2022, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date fixed for redemption.

On August 5, 2015, the School District issued \$8,655,000 School Improvement General Obligation Refunding Bonds which are Bank Qualified. The bonds are being issued for the purpose of currently refunding a portion of the School District's 2005 Refunding Bonds. The bonds were issued at rates ranging from 1 to 3 percent, with a maturity of December 1, 2022. These serial bonds are not subject to mandatory redemption prior to maturity. Payment of principal and interest relating to this liability is recorded as expenditures in the bond retirement fund.

On December 10, 2015, the School District issued \$66,800,000 School Improvement Unlimited Tax General Obligation Bonds which are Non-Bank Qualified. The bonds are being issued for the purpose of paying the costs of new construction, improvements, renovations, and additions to school facilities and providing equipment furnishings, and site improvements therefor. The bonds were issued at rates ranging from 1.5 to 5 percent, with a maturity of December 1, 2050. This issuance is comprised of \$17,640,000 in serial bonds and \$49,160,000 in term bonds. The term bonds are subject to mandatory redemption prior to maturity.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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The term bonds maturing on December 1, 2040 are subject to mandatory sinking fund redemption prior to maturity from funds plus accrued interest to the date of redemption in the following principal amounts and in each of the following years:

Fiscal Year Ending June 30,	Principal Amount to be Redeemed
2035	\$5,000
2036	30,000
2037	240,000
2038	340,000
2039	2,450,000
2040	2,705,000
2041	2,850,000
Total	<u>\$8,620,000</u>

The term bonds maturing on December 1, 2045 are subject to mandatory sinking fund redemption prior to maturity from funds plus accrued interest to the date of redemption in the following principal amounts and in each of the following years:

Fiscal Year Ending June 30,	Principal Amount to be Redeemed
2042	\$3,000,000
2043	3,290,000
2044	3,465,000
2045	3,645,000
2046	3,970,000
Total	<u>\$17,370,000</u>

The term bonds maturing on December 1, 2050 are subject to mandatory sinking fund redemption prior to maturity from funds plus accrued interest to the date of redemption in the following principal amounts and in each of the following years:

Fiscal Year Ending June 30,	Principal Amount to be Redeemed
2047	\$4,180,000
2048	4,355,000
2049	4,680,000
2050	4,875,000
2051	5,080,000
Total	<u>\$23,170,000</u>

Payment of principal and interest relating to this liability is recorded as expenditures in the bond retirement fund.

On January 14, 2016, the School District issued \$9,200,000 School Improvement Unlimited Tax General Obligation Bonds which are Bank Qualified. The bonds are being issued for the purpose of paying the costs of new construction, improvements, renovations, and additions to school facilities and providing equipment furnishings, and site improvements therefor. The bonds were issued at rates ranging from 3 to 4 percent, with a maturity of December 1, 2037. These serial bonds are not subject to mandatory redemption prior to maturity. Payment of principal and interest relating to this liability is recorded as expenditures in the bond retirement fund.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2016

Capital leases will be retired from the general fund. Compensated absences will be paid from the general, food services, auxiliary service, IDEA-B special education, title I school improvement stimulus A, and title I funds for governmental activities. The School District pays obligations relating to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability see note 10.

The School District's overall legal debt margin was \$46,415,966 with an unvoted debt margin of \$1,436,983 at June 30, 2016.

Annual base rent requirements to retire the certificates of participation outstanding at June 30, 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$335,000	\$151,241	\$486,241
2018	345,000	144,441	489,441
2019	350,000	137,491	487,491
2020	355,000	129,554	484,554
2021	365,000	119,641	484,641
2022-2026	1,995,000	424,955	2,419,955
2027-2030	1,820,000	112,565	1,932,565
Totals	<u>\$5,565,000</u>	<u>\$1,219,888</u>	<u>\$6,784,888</u>

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

Fiscal Year Ending June 30,	2005 Refunding Bonds			2013 QZAB Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$0	\$172,988	\$172,988	\$270,000	\$150,000	\$420,000
2018	0	172,988	172,988	270,000	150,000	420,000
2019	1,590,000	131,250	1,721,250	265,000	150,000	415,000
2020	1,705,000	44,756	1,749,756	265,000	150,000	415,000
2021	0	0	0	265,000	150,000	415,000
2022-2026	0	0	0	1,325,000	750,000	2,075,000
2027-2028	0	0	0	530,000	225,000	755,000
Totals	<u>\$3,295,000</u>	<u>\$521,982</u>	<u>\$3,816,982</u>	<u>\$3,190,000</u>	<u>\$1,725,000</u>	<u>\$4,915,000</u>

Fiscal Year Ending June 30,	2013 Tax-Exempt Bonds			2015 School Improvement Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$85,000	\$23,600	\$108,600	\$1,440,000	\$199,050	\$1,639,050
2018	85,000	21,900	106,900	1,500,000	169,650	1,669,650
2019	90,000	20,150	110,150	0	154,650	154,650
2020	90,000	18,350	108,350	0	154,650	154,650
2021	95,000	16,500	111,500	1,785,000	127,875	1,912,875
2022-2026	490,000	53,300	543,300	3,830,000	109,050	3,939,050
2027-2028	210,000	5,250	215,250	0	0	0
Totals	<u>\$1,145,000</u>	<u>\$159,050</u>	<u>\$1,304,050</u>	<u>\$8,555,000</u>	<u>\$914,925</u>	<u>\$9,469,925</u>



**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30,	2015 School Improvement Bonds			2016 School Improvement Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$740,000	\$2,937,038	\$3,677,038	\$0	\$335,650	\$335,650
2018	520,000	2,924,438	3,444,438	0	335,650	335,650
2019	550,000	2,910,988	3,460,988	0	335,650	335,650
2020	565,000	2,891,438	3,456,438	0	335,650	335,650
2021	590,000	2,875,713	3,465,713	0	335,650	335,650
2022-2026	4,205,000	13,870,815	18,075,815	0	1,678,250	1,678,250
2027-2031	6,530,000	12,554,515	19,084,515	0	1,678,250	1,678,250
2032-2036	3,975,000	11,284,938	15,259,938	5,215,000	1,454,075	6,669,075
2037-2041	8,585,000	10,428,875	19,013,875	3,985,000	159,700	4,144,700
2042-2046	17,370,000	6,920,000	24,290,000	0	0	0
2047-2051	23,170,000	2,409,792	25,579,792	0	0	0
Totals	\$66,800,000	\$72,008,550	\$138,808,550	\$9,200,000	\$6,648,525	\$15,848,525

**Capital Lease Obligation**

In fiscal year 2016, the School District entered into a capitalized lease for copier equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. However, these expenditures are reported as current expenditures on the budgetary statement.

Capital assets acquired by lease were initially capitalized in the statement of net position for governmental activities in the amount of \$223,625 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability in the amount of \$178,866 was recorded on the statement of net position for governmental activities. Principal payments in fiscal year 2016 totaled \$30,307 and were paid from the general funds.

Principal and interest requirements to retire the capital leases at June 30, 2016 are as follows:

Year Ending June 30	Capital Leases
2017	\$43,521
2018	43,521
2019	43,521
2020	43,521
Total Debt Payments	174,084
Less: Interest	(25,525)
Total Principal	<u>\$148,559</u>

**Note 14 – Interfund Activity**

As of June 30, 2016, receivable and payables that resulted from various interfund transactions were as follows:

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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	Interfund Receivable	Interfund Payable
<i>Major Fund:</i>		
General	\$786,933	\$0
<i>Nonmajor Funds:</i>		
Public School Preschool	0	20,730
Vocational Education Enhancement	0	2,132
IDEA-B Special Education	0	388,229
Title I School Improvement Stimulus A	0	8,137
Title III	0	18,053
Title I	0	299,676
Early Childhood Special Education	0	2,970
Title II-A	0	47,006
Total Nonmajor Funds	0	786,933
Total	\$786,933	\$786,933

Interfund balances at June 30, 2016 consisted of the above amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records and (3) payments between funds are made. All advances are expected to be paid within one year.

Transfers made during the fiscal year ended June 30, 2016 were as follows:

	Transfers In	Transfers Out
<i>Major Fund:</i>		
General	\$0	\$60,000
<i>Nonmajor Fund:</i>		
Athletics	60,000	0
Total	\$60,000	\$60,000

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

**Note 15 – Jointly Governed Organizations**

**Southwest Ohio Computer Association**

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), a computer consortium. SWOCA is a jointly governed organization among a seven county consortium of 43 Ohio school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each member of the consortium supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The Board exercises total control over the operations of SWOCA including budgeting, appropriating, contracting, and designating management. The Board consists of one representative from each of the participating 43 school districts. The School District paid SWOCA \$264,169 for services provided during the fiscal year. The financial statements for SWOCA are available at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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**Butler Technology and Career Development School**

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

**Southwest Ohio Organization of School Health**

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

**Note 16 – Set-Asides**

The School District is required by state statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at year-end and carried forward to be used for the same purposes in future fiscal years. The following cash basis information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by state statute.

	<u>Capital Acquisition</u>
Set-Aside Balance as of June 30, 2015	\$0
Current Year Set-Aside Requirement	1,500,440
Qualifying Disbursements	(416,014)
Current Year Offsets	<u>(1,084,426)</u>
Totals	<u>\$0</u>
Set-Aside Balance as of June 30, 2016	<u>\$0</u>

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

**Note 17 – Donor-Restricted Endowments**

The School District's Endowment includes donor-restricted endowments. The restricted net position amount of \$33,098 represents the expendable portion of the endowment. The \$79,000 represents the nonexpendable amount. State law permits the Board of Education to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise.

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2016

**Note 18 – Fund Balances**

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

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Endowment	\$0	\$0	\$79,000	\$79,000
<i>Restricted</i>				
Endowment	0	0	33,098	33,098
Capital Projects	0	76,350,479	0	76,350,479
Debt Service	0	0	9,272,533	9,272,533
Food Service	0	0	67,466	67,466
Special Trust	0	0	250,577	250,577
Career Consultant Grant	0	0	6,801	6,801
Athletics	0	0	247,599	247,599
Auxiliary Services	0	0	410,221	410,221
State Grants	0	0	10,930	10,930
Federal Grants	0	0	3	3
Total Restricted	0	76,350,479	10,299,228	86,649,707
<i>Committed</i>				
Underground Storage	11,000	0	0	11,000
Future Purchases	389,062	0	0	389,062
Capital Projects	0	0	3,445,759	3,445,759
Total Assigned	400,062	0	3,445,759	3,845,821
<i>Assigned</i>				
Future Purchases	725,573	0	0	725,573
Public School Support	99,014	0	0	99,014
FY17 Appropriations in Excess of Estimated Receipts	8,007,998	0	0	8,007,998
Total Assigned	8,832,585	0	0	8,832,585
<i>Unassigned (Deficit)</i>	39,937,115	0	(255,273)	39,681,842
Total Fund Balances	\$49,169,762	\$76,350,479	\$13,568,714	\$139,088,955

**Note 19 – Significant Commitments**

**Encumbrances**

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

**Northwest Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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<i>Major Funds:</i>	
General	\$1,125,920
Building	5,949,701
<i>Nonmajor Funds:</i>	
Permanent Improvement	946,956
Food Service	72,908
Special Trust	2,988
Athletics	45,456
Auxiliary Services	227,348
IDEA-B Special Education	197,669
Title I School Improvement Stimulus A	2,801
Title I	38,162
Title II-A	9,364
Total Nonmajor Funds	<u>1,543,652</u>
Total Encumbrances	<u>\$8,619,273</u>

**Contractual Commitments**

The following table provides a summary of the outstanding contractual commitments as of June 30, 2016:

Contractor	Description	Contract Total	Paid as of June 30, 2016	Amount Remaining
The Motz Group, LLC	Synthetic Turf for Northwest High School	\$629,400	\$566,460	\$62,940

**Note 19 – Contingent Liabilities**

**Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2016, if applicable, cannot be determined at this time.

**School Foundation**

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for fiscal year 2015, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 and 2016 Foundation funding for the School District; therefore, the final financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or a liability of the School District. As of the date of this report, the School District has recognized a payable in the amount of \$163,682.

**Litigation**

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

**Note 20 – Subsequent Event**

During fiscal year 2017, the School District has awarded several contracts related to its Master Facility Project and broke ground on the Project in November 2016.

**Note 21 – Implementation of New Accounting Pronouncement**

The School District implemented Governmental Accounting Standards Board Statement No. 72, “Fair Value Measurement and Application.” GASB Statement No. 72 addresses accounting and financial issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. There was no effect on beginning net position/fund balance as a result of this implementation.

**Northwest Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*Last Three Fiscal Years (1)*

	2013	2014	2015
<i>State Teachers Retirement System</i>			
School District's proportion of the net pension liability	0.34836811%	0.34836811%	0.35493970%
School District's proportionate share of the net pension liability	\$100,935,993	\$84,735,181	\$98,094,962
School District's covered-employee payroll	\$36,699,831	\$35,770,629	\$37,246,864
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	275.0%	236.9%	263.4%
Plan fiduciary net position as a percentage of the total pension liability	69.3%	74.7%	72.1%
<i>School Employees Retirement System</i>			
School District's proportion of the net pension liability	0.41802100%	0.41802100%	0.42730910%
School District's proportionate share of the net pension liability	\$24,858,367	\$21,155,805	\$24,382,671
School District's covered-employee payroll	\$11,413,588	\$12,404,292	\$12,638,012
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	217.8%	170.6%	192.9%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	71.7%	69.2%

The amounts presented are as of the School District's measurement date which is the prior fiscal year end.

(1) Information not available prior to 2013.

**Northwest Local School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*Last Ten Fiscal Years*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>State Teachers Retirement System</i>										
Contractually required contribution	\$5,810,000	\$5,801,556	\$5,679,492	\$5,757,480	\$5,678,263	\$5,446,835	\$4,770,978	\$4,650,182	\$5,214,561	\$5,468,414
Contributions in relation to the contractually required contribution	5,810,000	5,801,556	5,679,492	5,757,480	5,678,263	5,446,835	4,770,978	4,650,182	5,214,561	5,468,414
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered-employee payroll	\$44,692,308	\$44,627,354	\$43,688,400	\$44,288,308	\$43,678,946	\$41,898,731	\$36,699,831	\$35,770,629	\$37,246,864	\$39,060,100
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	14.00%	14.00%
<i>School Employees Retirement System</i>										
Contractually required contribution	\$1,694,772	\$1,799,581	\$1,824,394	\$1,858,629	\$2,039,511	\$2,057,762	\$1,579,641	\$1,719,235	\$1,665,690	\$1,800,895
Contributions in relation to the contractually required contribution	1,694,772	1,799,581	1,824,394	1,858,629	2,039,511	2,057,762	1,579,641	1,719,235	1,665,690	1,800,895
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered-employee payroll	\$15,868,652	\$18,325,672	\$18,540,589	\$13,726,950	\$16,225,227	\$15,299,346	\$11,413,588	\$12,404,292	\$12,638,012	\$12,863,536
Contributions as a percentage of covered-employee payroll	10.68%	9.82%	9.84%	13.54%	12.57%	13.45%	13.84%	13.86%	13.18%	14.00%

The amounts presented for each fiscal year were determined as of June 30.



## **Combining and Individual Fund Statements and Schedules**

**Northwest Local School District**  
*Nonmajor Fund Descriptions*

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**Special Revenue Funds**

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

**Nonmajor Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

**Northwest Local School District**  
*Nonmajor Fund Descriptions*

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

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

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

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

*Public School Support Fund* – A fund provided to account for specific local revenue sources, other than taxes (i.e., profits from vending machines, sales of pictures, etc.), that are restricted to expenditure for specific purposes approved by the Board. Such expenditures may include curricular and extracurricular related purchases. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

*Underground Storage Tank Fund* – This fund accounts for and reports local funds which are provided in the event of an underground storage tank leak. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. This fund had no activity during fiscal year 2016. Therefore, no budgetary statement is presented.

**Debt Service Fund**

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

**Nonmajor Debt Service Fund**

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

**Permanent Fund**

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

**Nonmajor Permanent Fund**

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

**Capital Projects Fund**

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

**Northwest Local School District**  
*Nonmajor Fund Descriptions*

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**Nonmajor Capital Projects Fund**

*Permanent Improvement* – This fund accounts for and reports all transactions related to the acquisition, construction or improvement of the infrastructure of buildings and grounds through permanent improvements.

**Internal Service Fund**

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

**Nonmajor Internal Service Fund**

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

**Northwest Local School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*As of June 30, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,545,793	\$7,377,533	\$112,098	\$2,616,854	\$11,652,278
Inventory Held for Resale	48,240	0	0	0	48,240
Accounts Receivable	8,523	0	0	40,000	48,523
Intergovernmental Receivable	1,819,453	0	0	0	1,819,453
Property Taxes Receivable	0	5,422,140	0	2,546,286	7,968,426
Restricted Cash and Cash Equivalents	0	0	0	37,222	37,222
<i>Total Assets</i>	<u>\$3,422,009</u>	<u>\$12,799,673</u>	<u>\$112,098</u>	<u>\$5,240,362</u>	<u>\$21,574,142</u>
<b>Liabilities:</b>					
Accounts Payable	\$88,241	\$0	\$0	\$0	\$88,241
Accrued Wages and Benefits	660,325	0	0	0	660,325
Contracts Payable	0	0	0	36,095	36,095
Interfund Payable	786,933	0	0	0	786,933
Intergovernmental Payable	104,891	0	0	0	104,891
Matured Compensated Absences Payable	31,559	0	0	0	31,559
Retainage Payable	0	0	0	37,222	37,222
<i>Total Liabilities</i>	1,671,949	0	0	73,317	1,745,266
<b>Deferred Inflows of Resources:</b>					
Property Taxes not Levied to Finance Current Year Operations	0	3,386,279	0	1,659,638	5,045,917
Unavailable Revenue	1,011,736	140,861	0	61,648	1,214,245
<i>Deferred Inflows of Resources</i>	1,011,736	3,527,140	0	1,721,286	6,260,162
<b>Fund Balances:</b>					
Nonspendable	0	0	79,000	0	79,000
Restricted	993,597	9,272,533	33,098	0	10,299,228
Committed	0	0	0	3,445,759	3,445,759
Unassigned (Deficit)	(255,273)	0	0	0	(255,273)
<i>Total Fund Balances</i>	<u>738,324</u>	<u>9,272,533</u>	<u>112,098</u>	<u>3,445,759</u>	<u>13,568,714</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$3,422,009</u>	<u>\$12,799,673</u>	<u>\$112,098</u>	<u>\$5,240,362</u>	<u>\$21,574,142</u>

**Northwest Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*As of June 30, 2016*

	Food Service Fund	Special Trust Fund	Career Consultant Grant Fund	Athletic Fund
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$288,166	\$250,228	\$7,393	\$254,662
Inventory Held for Resale	48,240	0	0	0
Accounts Receivable	79	349	0	6,240
Intergovernmental Receivable	62,509	0	0	0
<i>Total Assets</i>	<u>\$398,994</u>	<u>\$250,577</u>	<u>\$7,393</u>	<u>\$260,902</u>
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$0	\$13,303
Accrued Wages and Benefits	271,447	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	51,236	0	592	0
Matured Compensated Absences Payable	8,845	0	0	0
<i>Total Liabilities</i>	331,528	0	592	13,303
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	0	0	0	0
<i>Deferred Inflows of Resources</i>	0	0	0	0
<b>Fund Balances:</b>				
Restricted	67,466	250,577	6,801	247,599
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances</i>	<u>67,466</u>	<u>250,577</u>	<u>6,801</u>	<u>247,599</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$398,994</u>	<u>\$250,577</u>	<u>\$7,393</u>	<u>\$260,902</u>

Auxiliary Service Fund	Public School Preschool Fund	SchoolNet Professional Development Fund	Vocational Education Enhancement Fund	IDEA-B Special Education Fund	Title I School Improvement Stimulus A Fund	Title III Fund
\$464,933	\$1,491	\$10,930	\$0	\$207,263	\$2,802	\$0
0	0	0	0	0	0	0
0	0	0	0	1,855	0	0
0	57,778	0	2,313	866,080	8,137	19,292
<u>\$464,933</u>	<u>\$59,269</u>	<u>\$10,930</u>	<u>\$2,313</u>	<u>\$1,075,198</u>	<u>\$10,939</u>	<u>\$19,292</u>
\$42,165	\$0	\$0	\$0	\$32,773	\$0	\$0
12,193	35,995	0	0	140,892	0	0
0	20,730	0	2,132	388,229	8,137	18,053
354	4,697	0	0	20,996	0	0
0	0	0	0	22,714	0	0
54,712	61,422	0	2,132	605,604	8,137	18,053
0	15,335	0	181	582,593	2,802	1,238
0	15,335	0	181	582,593	2,802	1,238
410,221	0	10,930	0	0	0	1
0	(17,488)	0	0	(112,999)	0	0
410,221	(17,488)	10,930	0	(112,999)	0	1
<u>\$464,933</u>	<u>\$59,269</u>	<u>\$10,930</u>	<u>\$2,313</u>	<u>\$1,075,198</u>	<u>\$10,939</u>	<u>\$19,292</u>

*continued*

**Northwest Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*As of June 30, 2016*

	Title I Fund	Early Childhood Special Education Fund	Title II-A Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$45,407	\$96	\$12,422	\$1,545,793
Inventory Held for Resale	0	0	0	48,240
Accounts Receivable	0	0	0	8,523
Intergovernmental Receivable	699,808	17,671	85,865	1,819,453
<i>Total Assets</i>	<u>\$745,215</u>	<u>\$17,767</u>	<u>\$98,287</u>	<u>\$3,422,009</u>
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$0	\$88,241
Accrued Wages and Benefits	168,201	44	31,553	660,325
Interfund Payable	299,676	2,970	47,006	786,933
Intergovernmental Payable	22,867	0	4,149	104,891
Matured Compensated Absences Payable	0	0	0	31,559
<i>Total Liabilities</i>	490,744	3,014	82,708	1,671,949
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	363,901	14,751	30,935	1,011,736
<i>Deferred Inflows of Resources</i>	363,901	14,751	30,935	1,011,736
<b>Fund Balances:</b>				
Restricted	0	2	0	993,597
Unassigned (Deficit)	(109,430)	0	(15,356)	(255,273)
<i>Total Fund Balances</i>	<u>(109,430)</u>	<u>2</u>	<u>(15,356)</u>	<u>738,324</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$745,215</u>	<u>\$17,767</u>	<u>\$98,287</u>	<u>\$3,422,009</u>



**Northwest Local School District**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$0	\$5,033,495	\$0	\$2,340,870	\$7,374,365
Intergovernmental	10,589,275	315,344	0	586,541	11,491,160
Interest	5,538	10,534	500	0	16,572
Extracurricular Activities	480,624	0	0	0	480,624
Gifts and Donations	92,125	0	5,000	110,000	207,125
Customer Sales and Services	1,290,507	0	0	0	1,290,507
Miscellaneous	62,771	0	0	0	62,771
<i>Total Revenues</i>	<u>12,520,840</u>	<u>5,359,373</u>	<u>5,500</u>	<u>3,037,411</u>	<u>20,923,124</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	270,671	0	0	67,188	337,859
Special	2,294,716	0	0	0	2,294,716
Vocational	25,887	0	0	0	25,887
Other	1,115	0	0	0	1,115
Support Services:					
Pupils	339,486	0	731	0	340,217
Instructional Staff	1,205,420	0	0	0	1,205,420
Board of Education	336	0	0	0	336
Administration	702,079	0	0	0	702,079
Fiscal	245	54,879	0	34,866	89,990
Operation and Maintenance of Plant	515	0	0	185,701	186,216
Pupil Transportation	127,899	0	0	0	127,899
Central	10,727	0	0	0	10,727
Operation of Non-Instructional Services	7,151,860	0	0	0	7,151,860
Extracurricular Activities	368,033	0	6,000	1,000	375,033
Capital Outlay	113,529	0	0	3,986,621	4,100,150
Debt Service:					
Principal	0	1,475,000	0	685,000	2,160,000
Interest	0	1,734,284	0	337,557	2,071,841
Issuance Costs	0	606,306	0	0	606,306
<i>Total Expenditures</i>	<u>12,612,518</u>	<u>3,870,469</u>	<u>6,731</u>	<u>5,297,933</u>	<u>21,787,651</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(91,678)	1,488,904	(1,231)	(2,260,522)	(864,527)
<b>Other Financing Sources (Uses):</b>					
Transfers In	60,000	0	0	0	60,000
School Improvement Refunding Bonds Issued	0	8,655,000	0	0	8,655,000
Premium on School Improvement Bonds Issued	0	5,677,317	0	0	5,677,317
Premium on School Improvement Refunding Bonds Issued	0	387,745	0	0	387,745
Payment to Refunded Bond Escrow Agent	0	(8,913,295)	0	0	(8,913,295)
<i>Total Other Financing Sources (Uses)</i>	<u>60,000</u>	<u>5,806,767</u>	<u>0</u>	<u>0</u>	<u>5,866,767</u>
<i>Net Change in Fund Balances</i>	(31,678)	7,295,671	(1,231)	(2,260,522)	5,002,240
<i>Fund Balance at Beginning of Year</i>	<u>770,002</u>	<u>1,976,862</u>	<u>113,329</u>	<u>5,706,281</u>	<u>8,566,474</u>
<i>Fund Balance at End of Year</i>	<u>\$738,324</u>	<u>\$9,272,533</u>	<u>\$112,098</u>	<u>\$3,445,759</u>	<u>\$13,568,714</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, 2016*

	Food Service Fund	Special Trust Fund	Career Consultant Grant Fund	Athletic Fund
<b>Revenues:</b>				
Intergovernmental	\$2,326,585	\$0	\$14,516	\$0
Interest	1,394	0	0	0
Extracurricular Activities	0	0	0	480,624
Gifts and Donations	0	28,527	44,085	19,513
Customer Sales and Services	1,290,507	0	0	0
Miscellaneous	13,570	17,089	0	30,257
<i>Total Revenues</i>	3,632,056	45,616	58,601	530,394
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	19,196	14,860	0
Special	0	858	1,135	0
Vocational	0	248	25,639	0
Other	0	0	1,115	0
Support Services:				
Pupils	0	846	191	0
Instructional Staff	0	3,358	271	0
Board of Education	0	336	0	0
Administration	0	6,879	0	0
Fiscal	0	245	0	0
Operation and Maintenance of Plant	515	0	0	0
Pupil Transportation	0	0	0	119,994
Central	0	10,727	0	0
Operation of Non-Instructional Services	3,936,091	89,930	12,016	0
Extracurricular Activities	0	0	0	368,033
Capital Outlay	7,983	0	3,255	66,021
<i>Total Expenditures</i>	3,944,589	132,623	58,482	554,048
<i>Excess of Revenues Over (Under) Expenditures</i>	(312,533)	(87,007)	119	(23,654)
<b>Other Financing Sources:</b>				
Transfers In	0	0	0	60,000
<i>Total Other Financing Sources</i>	0	0	0	60,000
<i>Net Change in Fund Balances</i>	(312,533)	(87,007)	119	36,346
<i>Fund Balance at Beginning of Year</i>	379,999	337,584	6,682	211,253
<i>Fund Balance at End of Year</i>	<u>\$67,466</u>	<u>\$250,577</u>	<u>\$6,801</u>	<u>\$247,599</u>

Auxiliary Service Fund	Public School Preschool Fund	SchoolNet Professional Development Fund	Vocational Education Enhancement Fund	IDEA-B Special Education Fund	Title I School Improvement Stimulus A Fund	Title III Fund
\$2,887,336	\$252,610	\$21,600	\$2,820	\$2,038,632	\$10,809	\$56,111
4,144	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	1,855	0	0
2,891,480	252,610	21,600	2,820	2,040,487	10,809	56,111
0	0	18,371	0	0	0	0
0	253,888	0	0	700,518	10,646	25,498
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	321,156	0	0
0	0	0	2,820	45,537	319	30,503
0	0	0	0	0	0	0
0	0	0	0	578,831	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	7,905	0	0
0	0	0	0	0	0	0
2,573,702	0	0	0	387,747	0	0
0	0	0	0	0	0	0
14,342	0	0	0	5,588	0	0
2,588,044	253,888	18,371	2,820	2,047,282	10,965	56,001
303,436	(1,278)	3,229	0	(6,795)	(156)	110
0	0	0	0	0	0	0
0	0	0	0	0	0	0
303,436	(1,278)	3,229	0	(6,795)	(156)	110
106,785	(16,210)	7,701	0	(106,204)	156	(109)
\$410,221	(\$17,488)	\$10,930	\$0	(\$112,999)	\$0	\$1

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, 2016*

	Title I Fund	Early Childhood Special Education Fund	Title II-A Fund	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>				
Intergovernmental	\$2,690,188	\$33,313	\$254,755	\$10,589,275
Interest	0	0	0	5,538
Extracurricular Activities	0	0	0	480,624
Gifts and Donations	0	0	0	92,125
Customer Sales and Services	0	0	0	1,290,507
Miscellaneous	0	0	0	62,771
<i>Total Revenues</i>	2,690,188	33,313	254,755	12,520,840
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	0	218,244	270,671
Special	1,285,141	17,032	0	2,294,716
Vocational	0	0	0	25,887
Other	0	0	0	1,115
Support Services:				
Pupils	0	17,293	0	339,486
Instructional Staff	1,098,804	0	23,808	1,205,420
Board of Education	0	0	0	336
Administration	116,369	0	0	702,079
Fiscal	0	0	0	245
Operation and Maintenance of Plant	0	0	0	515
Pupil Transportation	0	0	0	127,899
Central	0	0	0	10,727
Operation of Non-Instructional Services	145,497	0	6,877	7,151,860
Extracurricular Activities	0	0	0	368,033
Capital Outlay	16,340	0	0	113,529
<i>Total Expenditures</i>	2,662,151	34,325	248,929	12,612,518
<i>Excess of Revenues Over (Under) Expenditures</i>	28,037	(1,012)	5,826	(91,678)
<b>Other Financing Sources:</b>				
Transfers In	0	0	0	60,000
<i>Total Other Financing Sources</i>	0	0	0	60,000
<i>Net Change in Fund Balances</i>	28,037	(1,012)	5,826	(31,678)
<i>Fund Balance at Beginning of Year</i>	(137,467)	1,014	(21,182)	770,002
<i>Fund Balance at End of Year</i>	(\$109,430)	\$2	(\$15,356)	\$738,324

**Northwest Local School District**  
*Nonmajor Fund Descriptions*

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**Agency Funds**

*Athletic Tournament Host Fund* – This fund accounts for and reports activity related to Ohio High School Athletic Association tournaments.

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

**Northwest Local School District**  
*Statement of Changes in Fiduciary Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2016*

	Balance at June 30, 2015	Additions	Deductions	Balance at June 30, 2016
<b>Athletic Tournament Host Fund</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$44,606	\$41,888	\$2,718
<i>Total Assets</i>	<u>\$0</u>	<u>\$44,606</u>	<u>\$41,888</u>	<u>\$2,718</u>
<b>Liabilities:</b>				
Undistributed Monies	\$0	\$44,606	\$41,888	\$2,718
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$44,606</u>	<u>\$41,888</u>	<u>\$2,718</u>
<b>Student Activity Fund</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$100,076	\$147,928	\$135,161	\$112,843
<i>Total Assets</i>	<u>\$100,076</u>	<u>\$147,928</u>	<u>\$135,161</u>	<u>\$112,843</u>
<b>Liabilities:</b>				
Due to Students	\$100,076	\$147,928	\$135,161	\$112,843
<i>Total Liabilities</i>	<u>\$100,076</u>	<u>\$147,928</u>	<u>\$135,161</u>	<u>\$112,843</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$100,076	\$192,534	\$177,049	\$115,561
<i>Total Assets</i>	<u>\$100,076</u>	<u>\$192,534</u>	<u>\$177,049</u>	<u>\$115,561</u>
<b>Liabilities:</b>				
Undistributed Monies	\$0	\$44,606	\$41,888	\$2,718
Due to Students	100,076	147,928	135,161	112,843
<i>Total Liabilities</i>	<u>\$100,076</u>	<u>\$192,534</u>	<u>\$177,049</u>	<u>\$115,561</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Building Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Interest	\$87,818	\$148,936	\$61,118
<i>Total Revenues</i>	87,818	148,936	61,118
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal	24,510	24,510	0
Capital Outlay	6,094,911	6,094,911	0
<i>Total Expenditures</i>	6,119,421	6,119,421	0
<i>Excess of Revenues Under Expenditures</i>	(6,031,603)	(5,970,485)	61,118
<b>Other Financing Sources:</b>			
School Improvement Bonds Issued	76,000,000	76,000,000	0
<i>Total Other Financing Sources</i>	76,000,000	76,000,000	0
<i>Net Change in Fund Balance</i>	69,968,397	70,029,515	61,118
<i>Fund Balance at Beginning of Year</i>	37,857	37,857	0
<i>Prior Year Encumbrances Appropriated</i>	13,451	13,451	0
<i>Fund Balance at End of Year</i>	<u>\$70,019,705</u>	<u>\$70,080,823</u>	<u>\$61,118</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Food Service Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$2,414,000	\$2,139,738	(\$274,262)
Interest	1,454	1,394	(60)
Customer Sales and Services	1,293,000	1,292,970	(30)
Miscellaneous	206	13,570	13,364
<i>Total Revenues</i>	<u>3,708,660</u>	<u>3,447,672</u>	<u>(260,988)</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant	1,093	1,093	0
Operation of Non-Instructional Services	3,807,294	3,777,291	30,003
<i>Total Expenditures</i>	<u>3,808,387</u>	<u>3,778,384</u>	<u>30,003</u>
<i>Net Change in Fund Balance</i>	(99,727)	(330,712)	(230,985)
<i>Fund Balance at Beginning of Year</i>	523,630	523,630	0
<i>Prior Year Encumbrances Appropriated</i>	22,339	22,339	0
<i>Fund Balance at End of Year</i>	<u><u>\$446,242</u></u>	<u><u>\$215,257</u></u>	<u><u>(\$230,985)</u></u>



**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Special Trust Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Gifts and Donations	\$34,418	\$34,183	(\$235)
Miscellaneous	17,514	16,740	(774)
<i>Total Revenues</i>	51,932	50,923	(1,009)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	23,290	23,263	27
Special	860	858	2
Vocational	700	700	0
Support Services:			
Pupils	1,305	846	459
Instructional Staff	3,358	3,358	0
Board of Education	336	336	0
Administration	7,626	7,610	16
Fiscal	342	245	97
Central	10,736	10,727	9
Operation of Non-Instructional Services	92,823	92,379	444
<i>Total Expenditures</i>	141,376	140,322	1,054
<i>Net Change in Fund Balance</i>	(89,444)	(89,399)	45
<i>Fund Balance at Beginning of Year</i>	330,301	330,301	0
<i>Prior Year Encumbrances Appropriated</i>	6,336	6,336	0
<i>Fund Balance at End of Year</i>	<u>\$247,193</u>	<u>\$247,238</u>	<u>\$45</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Career Consultation Grant Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$14,516	\$14,516	\$0
Gifts and Donations	44,085	44,085	0
<i>Total Revenues</i>	58,601	58,601	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	15,873	14,860	1,013
Special	1,135	1,135	0
Vocational	30,565	28,402	2,163
Other	1,403	1,115	288
Support Services:			
Pupils	191	191	0
Instructional Staff	957	171	786
Operation of Non-Instructional Services	12,166	12,016	150
<i>Total Expenditures</i>	62,290	57,890	4,400
<i>Net Change in Fund Balance</i>	(3,689)	711	4,400
<i>Fund Balance at Beginning of Year</i>	6,682	6,682	0
<i>Fund Balance at End of Year</i>	\$2,993	\$7,393	\$4,400

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Athletic Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Extracurricular Activities	\$481,326	\$480,915	(\$411)
Gifts and Donations	19,514	19,513	(1)
Miscellaneous	19,152	18,743	(409)
<i>Total Revenues</i>	519,992	519,171	(821)
<b>Expenditures:</b>			
Current:			
Support Services:			
Pupil Transportation	120,029	119,994	35
Extracurricular Activities	493,496	479,129	14,367
<i>Total Expenditures</i>	613,525	599,123	14,402
<i>Excess of Revenues Under Expenditures</i>	(93,533)	(79,952)	13,581
<b>Other Financing Sources:</b>			
Transfers In	60,000	60,000	0
<i>Total Other Financing Sources</i>	60,000	60,000	0
<i>Net Change in Fund Balance</i>	(33,533)	(19,952)	13,581
<i>Fund Balance at Beginning of Year</i>	166,981	166,981	0
<i>Prior Year Encumbrances Appropriated</i>	56,486	56,486	0
<i>Fund Balance at End of Year</i>	<u>\$189,934</u>	<u>\$203,515</u>	<u>\$13,581</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Auxiliary Services Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$2,887,336	\$2,887,336	\$0
Interest	4,320	4,144	(176)
<i>Total Revenues</i>	2,891,656	2,891,480	(176)
<b>Expenditures:</b>			
Current:			
Operation of Non-Instructional Services	2,887,513	2,884,517	2,996
<i>Total Expenditures</i>	2,887,513	2,884,517	2,996
<i>Net Change in Fund Balance</i>	4,143	6,963	2,820
<i>Fund Balance at Beginning of Year</i>	70,929	70,929	0
<i>Prior Year Encumbrances Appropriated</i>	159,697	159,697	0
<i>Fund Balance at End of Year</i>	<u>\$234,769</u>	<u>\$237,589</u>	<u>\$2,820</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Public School Preschool Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$221,155	\$221,155	\$0
<i>Total Revenues</i>	221,155	221,155	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	242,656	241,165	1,491
<i>Total Expenditures</i>	242,656	241,165	1,491
<i>Excess of Revenues Under Expenditures</i>	(21,501)	(20,010)	1,491
<b>Other Financing Sources:</b>			
Advances In	20,730	20,730	0
<i>Total Other Financing Sources</i>	20,730	20,730	0
<i>Net Change in Fund Balance</i>	(771)	720	1,491
<i>Fund Balance at Beginning of Year</i>	771	771	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$1,491</u>	<u>\$1,491</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
SchoolNet Professional Development Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$21,600	\$21,600	\$0
<i>Total Revenues</i>	21,600	21,600	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	18,501	18,371	130
<i>Total Expenditures</i>	18,501	18,371	130
<i>Net Change in Fund Balance</i>	3,099	3,229	130
<i>Fund Balance at Beginning of Year</i>	7,701	7,701	0
<i>Fund Balance at End of Year</i>	<u>\$10,800</u>	<u>\$10,930</u>	<u>\$130</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Vocational Education Enhancement Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$2,227	\$2,227	\$0
<i>Total Revenues</i>	2,227	2,227	0
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff	2,820	2,820	0
<i>Total Expenditures</i>	2,820	2,820	0
<i>Excess of Revenues Under Expenditures</i>	(593)	(593)	0
<b>Other Financing Sources (Uses):</b>			
Advances In	2,132	2,132	0
Advances Out	(1,539)	(1,539)	0
<i>Total Other Financing Sources (Uses)</i>	593	593	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
IDEA-B Special Education Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$1,861,893	\$1,861,893	\$0
<i>Total Revenues</i>	1,861,893	1,861,893	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	736,760	734,333	2,427
Support Services:			
Pupils	473,554	473,554	0
Instructional Staff	50,003	48,305	1,698
Administration	545,141	544,191	950
Pupil Transportation	7,905	7,905	0
Operation of Non-Instructional Services	401,073	401,073	0
<i>Total Expenditures</i>	2,214,436	2,209,361	5,075
<i>Excess of Revenues Under Expenditures</i>	(352,543)	(347,468)	5,075
<b>Other Financing Sources (Uses):</b>			
Advances In	388,229	388,229	0
Advances Out	(31,293)	(31,293)	0
<i>Total Other Financing Sources (Uses)</i>	356,936	356,936	0
<i>Net Change in Fund Balance</i>	4,393	9,468	5,075
<i>Fund Balance at Beginning of Year</i>	(8,514)	(8,514)	0
<i>Prior Year Encumbrances Appropriated</i>	8,641	8,641	0
<i>Fund Balance at End of Year</i>	<u>\$4,520</u>	<u>\$9,595</u>	<u>\$5,075</u>



**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Title I School Improvement Stimulus A Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$11,494	\$11,494	\$0
<i>Total Revenues</i>	11,494	11,494	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	13,448	13,448	0
Support Services:			
Instructional Staff	2,839	2,839	0
<i>Total Expenditures</i>	16,287	16,287	0
<i>Excess of Revenues Under Expenditures</i>	(4,793)	(4,793)	0
<b>Other Financing Sources (Uses):</b>			
Advances In	8,137	8,137	0
Advances Out	(3,344)	(3,344)	0
<i>Total Other Financing Sources (Uses)</i>	4,793	4,793	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Title III Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$38,962	\$38,962	\$0
<i>Total Revenues</i>	38,962	38,962	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	25,608	25,608	0
Support Services:			
Instructional Staff	30,503	30,503	0
<i>Total Expenditures</i>	56,111	56,111	0
<i>Excess of Revenues Under Expenditures</i>	(17,149)	(17,149)	0
<b>Other Financing Sources (Uses):</b>			
Advances In	18,054	18,054	0
Advances Out	(905)	(905)	0
<i>Total Other Financing Sources (Uses)</i>	17,149	17,149	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	(110)	(110)	0
<i>Prior Year Encumbrances Appropriated</i>	110	110	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Title I Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$2,408,449	\$2,408,448	(\$1)
<i>Total Revenues</i>	2,408,449	2,408,448	(1)
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	1,352,329	1,351,320	1,009
Support Services:			
Instructional Staff	1,098,904	1,094,248	4,656
Administration	115,939	114,414	1,525
Operation of Non-Instructional Services	147,891	147,834	57
<i>Total Expenditures</i>	2,715,063	2,707,816	7,247
<i>Excess of Revenues Under Expenditures</i>	(306,614)	(299,368)	7,246
<b>Other Financing Sources (Uses):</b>			
Advances In	265,805	265,805	0
Advances Out	(1,246)	(1,246)	0
<i>Total Other Financing Sources (Uses)</i>	264,559	264,559	0
<i>Net Change in Fund Balance</i>	(42,055)	(34,809)	7,246
<i>Fund Balance at Beginning of Year</i>	31,824	31,824	0
<i>Prior Year Encumbrances Appropriated</i>	10,236	10,236	0
<i>Fund Balance at End of Year</i>	\$5	\$7,251	\$7,246

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Early Childhood Special Education Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$35,568	\$35,568	\$0
<i>Total Revenues</i>	35,568	35,568	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	17,242	17,231	11
Support Services:			
Pupils	17,293	17,293	0
Instructional Staff	1,895	1,895	0
<i>Total Expenditures</i>	36,430	36,419	11
<i>Excess of Revenues Under Expenditures</i>	(862)	(851)	11
<b>Other Financing Sources (Uses):</b>			
Advances In	2,970	2,970	0
Advances Out	(2,023)	(2,023)	0
<i>Total Other Financing Sources (Uses)</i>	947	947	0
<i>Net Change in Fund Balance</i>	85	96	11
<i>Fund Balance at Beginning of Year</i>	(2,424)	(2,424)	0
<i>Prior Year Encumbrances Appropriated</i>	2,424	2,424	0
<i>Fund Balance at End of Year</i>	\$85	\$96	\$11

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Title II-A Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$221,204	\$221,204	\$0
<i>Total Revenues</i>	221,204	221,204	0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	225,912	224,652	1,260
Support Services:			
Instructional Staff	30,144	28,346	1,798
Operation of Non-Instructional Services	11,703	11,703	0
<i>Total Expenditures</i>	267,759	264,701	3,058
<i>Excess of Revenues Under Expenditures</i>	(46,555)	(43,497)	3,058
<b>Other Financing Sources (Uses):</b>			
Advances In	47,006	47,006	0
Advances Out	(451)	(451)	0
<i>Total Other Financing Sources (Uses)</i>	46,555	46,555	0
<i>Net Change in Fund Balance</i>	0	3,058	3,058
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$3,058	\$3,058

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Uniform School Supplies Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Tuition and Fees	\$249,515	\$248,977	(\$538)
<i>Total Revenues</i>	249,515	248,977	(538)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	269,155	268,118	1,037
Support Services:			
Instructional Staff	13,242	13,241	1
Board of Education	300	100	200
<i>Total Expenditures</i>	282,697	281,459	1,238
<i>Excess of Revenues Under Expenditures</i>	(33,182)	(32,482)	700
<b>Other Financing Sources:</b>			
Transfers In	119,099	119,099	0
<i>Total Other Financing Sources</i>	119,099	119,099	0
<i>Net Change in Fund Balance</i>	85,917	86,617	700
<i>Fund Balance at Beginning of Year</i>	266,896	266,896	0
<i>Prior Year Encumbrances Appropriated</i>	16,225	16,225	0
<i>Fund Balance at End of Year</i>	<u>\$369,038</u>	<u>\$369,738</u>	<u>\$700</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Public School Support Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Tuition and Fees	\$80,693	\$80,531	(\$162)
Gifts and Donations	81,203	80,381	(822)
Miscellaneous	45,914	45,867	(47)
<i>Total Revenues</i>	207,810	206,779	(1,031)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	71,590	65,507	6,083
Special	3,367	3,329	38
Support Services:			
Pupils	7,906	7,834	72
Instructional Staff	19,447	19,415	32
Administration	495	494	1
Operation and Maintenance of Plant	794	794	0
Operation of Non-Instructional Services	15,535	15,531	4
<i>Total Expenditures</i>	119,134	112,904	6,230
<i>Net Change in Fund Balance</i>	88,676	93,875	5,199
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$88,676	\$93,875	\$5,199

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$3,882,115	\$3,819,495	(\$62,620)
Intergovernmental	315,436	315,344	(92)
Interest	0	10,534	10,534
<i>Total Revenues</i>	4,197,551	4,145,373	(52,178)
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal	54,879	54,879	0
Debt Service:			
Principal	895,000	895,000	0
Interest	2,314,284	2,314,284	0
Issuance Costs	606,306	606,306	0
<i>Total Expenditures</i>	3,870,469	3,870,469	0
<i>Excess of Revenues Over Expenditures</i>	327,082	274,904	(52,178)
<b>Other Financing Sources (Uses):</b>			
School Improvement Refunding Bonds Issued	8,655,000	8,655,000	0
Premium on School Improvement Bonds Issued	5,677,317	5,677,317	0
Premium on School Improvement Refunding Bonds Issu	387,745	387,745	0
Payment to Refunded Bond Escrow Agent	(8,913,295)	(8,913,295)	0
<i>Total Other Financing Sources (Uses)</i>	5,806,767	5,806,767	0
<i>Net Change in Fund Balance</i>	6,133,849	6,081,671	(52,178)
<i>Fund Balance at Beginning of Year</i>	1,295,862	1,295,862	0
<i>Fund Balance at End of Year</i>	<u>\$7,429,711</u>	<u>\$7,377,533</u>	<u>(\$52,178)</u>



**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Endowment Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Interest	\$520	\$500	(\$20)
Gifts and Donations	5,000	5,000	0
<i>Total Revenues</i>	5,520	5,500	(20)
<b>Expenditures:</b>			
Current:			
Support Services:			
Pupils	732	731	1
Extracurricular Activities	6,000	6,000	0
<i>Total Expenditures</i>	6,732	6,731	1
<i>Net Change in Fund Balance</i>	(1,212)	(1,231)	(19)
<i>Fund Balance at Beginning of Year</i>	113,329	113,329	0
<i>Fund Balance at End of Year</i>	\$112,117	\$112,098	(\$19)

**Northwest Local School District**  
*Schedule of Revenues, Expenditures, and Change  
in Fund Balance - Budget (Non-GAAP) and Actual  
Permanent Improvement Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$2,171,878	\$2,171,870	(\$8)
Intergovernmental	586,541	586,541	0
Gifts and Donations	70,000	70,000	0
<i>Total Revenues</i>	2,828,419	2,828,411	(8)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	971,904	970,771	1,133
Support Services:			
Fiscal	73,101	73,101	0
Operation and Maintenance of Plant	264,891	264,891	0
Pupil Transportation	866,489	867,622	(1,133)
Capital Outlay	3,709,868	3,709,868	0
Debt Service:			
Principal	685,000	685,000	0
Interest	337,558	337,557	1
<i>Total Expenditures</i>	6,908,811	6,908,810	1
<i>Net Change in Fund Balance</i>	(4,080,392)	(4,080,399)	(7)
<i>Fund Balance at Beginning of Year</i>	4,576,323	4,576,323	0
<i>Prior Year Encumbrances Appropriated</i>	866,212	866,212	0
<i>Fund Balance at End of Year</i>	<u>\$1,362,143</u>	<u>\$1,362,136</u>	<u>(\$7)</u>

**Northwest Local School District**  
*Schedule of Revenues, Expenses, and Change  
in Fund Equity - Budget (Non-GAAP) and Actual  
Workers' Compensation Fund  
For the Fiscal Year Ended June 30, 2016*

	Final Budget	Actual	Variance with Final Budget: Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Services	\$356,860	\$345,730	(\$11,130)
<i>Total Operating Revenues</i>	356,860	345,730	(11,130)
<b>Operating Expenses:</b>			
Fringe Benefits	20,000	20,000	0
Purchased Services	68,416	68,331	85
Materials and Supplies	14,000	14,000	0
Claims	57,367	57,367	0
Other	179,183	179,183	0
<i>Total Operating Expenses</i>	338,966	338,881	85
<i>Net Change in Net Position</i>	17,894	6,849	(11,045)
<i>Net Position at Beginning of Year</i>	479,841	479,841	0
<i>Net Position at End of Year</i>	<u>\$497,735</u>	<u>\$486,690</u>	<u>(\$11,045)</u>

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## **Statistical Section**

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**Northwest Local School District**  
*Statistical Section*

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	96-109
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	110-117
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	118-121
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	122-123
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	124-131

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

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

	2007	2008	2009	2010
Governmental Activities				
Net Investment in Capital Assets	\$2,440,916	\$2,857,440	\$3,408,154	\$4,824,453
Restricted	4,812,592	3,098,772	4,545,762	4,294,401
Unrestricted	17,931,886	15,918,949	21,200,605	22,468,679
Total Net Position	<u>\$25,185,394</u>	<u>\$21,875,161</u>	<u>\$29,154,521</u>	<u>\$31,587,533</u>

Source: School District Records.

The School District implemented GASB 68 in fiscal year 2015.



2011	2012	2013	2014	2015	2016
\$5,225,512	\$4,781,684	\$4,508,984	\$5,508,604	\$8,822,606	\$7,242,252
5,209,988	4,070,811	4,053,067	4,587,670	3,612,634	11,481,625
<u>27,598,942</u>	<u>31,016,137</u>	<u>37,810,222</u>	<u>(70,671,546)</u>	<u>(62,206,286)</u>	<u>(65,441,784)</u>
<u>\$38,034,442</u>	<u>\$39,868,632</u>	<u>\$46,372,273</u>	<u>(\$60,575,272)</u>	<u>(\$49,771,046)</u>	<u>(\$46,717,907)</u>

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

	2007	2008	2009	2010
<b>Expenses</b>				
<b>Governmental Activities:</b>				
Instruction	\$49,828,614	\$56,945,019	\$49,951,460	\$52,481,465
Pupils	4,850,602	4,636,660	5,191,242	5,864,785
Instructional Staff	5,840,176	5,769,942	5,774,646	6,168,524
Board of Education	281,111	183,505	93,830	178,161
Administration	5,855,802	5,745,910	6,041,145	5,688,140
Fiscal	1,558,363	1,603,973	1,807,516	1,593,129
Business	507,244	671,137	720,409	583,823
Operation and Maintenance of Plant	8,033,869	8,570,818	7,029,199	7,821,491
Pupil Transportation	4,819,635	4,901,006	4,595,467	5,078,256
Central	1,272,167	1,665,530	1,586,120	1,970,404
Operation of Non-Instructional Services	6,686,349	7,133,882	8,306,507	6,746,827
Extracurricular Activities	1,915,193	1,568,962	1,861,017	1,861,932
Interest and Fiscal Charges	1,008,515	993,695	964,410	915,785
Issuance Costs	0	0	0	0
<b>Total Government Expenses</b>	<u>92,457,640</u>	<u>100,390,039</u>	<u>93,922,968</u>	<u>96,952,722</u>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services</b>				
Instruction	\$1,497,076	\$1,597,900	\$1,592,934	\$1,869,950
Pupils	11,279	11,664	16,349	14,785
Instructional Staff	0	0	0	0
Board of Education	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	50,200	45,217	617,093	613,381
Pupil Transportation	0	0	0	46,465
Central	0	0	0	0
Operation of Non-Instructional Services	2,014,390	1,988,401	1,947,625	1,709,506
Extracurricular Activities	671,898	901,362	804,655	643,017
Operating Grants and Contributions	10,858,280	10,087,921	11,795,565	15,592,209
Capital Grants and Contributions	173,314	193,001	184,366	32,008
<b>Total Government Revenues</b>	<u>\$15,276,437</u>	<u>\$14,825,466</u>	<u>\$16,958,587</u>	<u>\$20,521,321</u>
<b>Total Government Net Expense</b>	<u>(\$77,181,203)</u>	<u>(\$85,564,573)</u>	<u>(\$76,964,381)</u>	<u>(\$76,431,401)</u>

Source: School District Records.

The School District implemented GASB 68 in fiscal year 2015.

2011	2012	2013	2014	2015	2016
\$52,123,019	\$50,229,137	\$50,043,505	\$54,525,320	\$55,737,691	\$58,194,635
5,918,209	5,761,067	5,409,943	5,317,452	5,570,842	5,527,800
7,479,306	6,658,352	6,128,612	2,291,903	3,286,238	2,977,984
131,907	173,452	106,612	62,669	123,176	144,646
6,071,446	5,576,976	5,879,145	5,819,121	5,504,484	6,366,536
2,091,931	1,970,661	2,059,500	1,905,673	1,849,298	1,900,112
600,034	449,022	413,910	516,401	423,051	264,876
7,905,720	6,977,678	7,467,985	6,901,372	7,085,017	6,532,591
5,248,647	5,030,613	5,020,887	6,156,186	5,805,654	5,175,348
1,783,588	1,615,795	1,651,136	1,301,675	1,312,068	1,257,223
7,231,875	6,495,716	7,467,942	6,588,168	7,822,810	7,252,128
2,009,970	1,849,366	1,900,451	1,932,463	1,730,914	1,677,146
867,155	818,560	1,237,982	1,045,993	949,047	2,206,248
0	0	0	0	0	606,306
<u>99,462,807</u>	<u>93,606,395</u>	<u>94,787,610</u>	<u>94,364,396</u>	<u>97,200,290</u>	<u>100,083,579</u>
\$1,641,647	\$1,585,050	\$1,709,059	\$1,294,081	\$2,116,708	\$1,563,368
23,810	394,526	387,550	360,622	378,621	130,373
0	0	0	0	0	65,553
0	0	0	0	0	3,566
0	0	0	0	0	138,386
0	0	0	0	0	42,824
0	0	0	0	0	6,323
809,126	708,595	856,200	901,593	909,130	146,998
57,404	53,205	28,494	53,118	34,032	230,065
0	0	0	0	0	30,018
1,603,407	1,508,953	1,338,206	1,222,728	1,192,773	1,304,822
789,862	665,183	604,704	411,576	379,183	393,410
16,183,531	10,597,997	10,694,778	14,148,185	15,624,474	15,678,347
0	0	0	0	0	686,733
<u>\$21,108,787</u>	<u>\$15,513,509</u>	<u>\$15,618,991</u>	<u>\$18,391,903</u>	<u>\$20,634,921</u>	<u>\$20,420,786</u>
<u>(\$78,354,020)</u>	<u>(\$78,092,886)</u>	<u>(\$79,168,619)</u>	<u>(\$75,972,493)</u>	<u>(\$76,565,369)</u>	<u>(\$79,662,793)</u>

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

	2007	2008	2009	2010
Total Government Net Expense	(\$77,181,203)	(\$85,564,573)	(\$76,964,381)	(\$76,431,401)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes Levied for General Purposes	40,052,554	43,685,645	39,010,796	37,232,185
Property Taxes Levied for Capital Projects Purposes	0	0	2,760,232	2,798,365
Property Taxes Levied for Debt Service Purposes	1,527,841	1,475,539	1,666,398	1,567,267
Payment in Lieu of Taxes	1,353,248	2,541,812	4,170,555	2,983,732
Investment Earnings	1,281,757	923,168	433,779	202,298
Grants and Entitlements not Restricted to Specific Programs	31,552,624	33,156,736	35,319,550	33,399,642
Gifts and Donations not Restricted for Specific Program	201,670	206,874	209,561	171,915
Gain on Sale of Assets	0	0	0	0
Miscellaneous	802,556	264,566	672,870	509,009
Total Government Activities	<u>76,772,250</u>	<u>82,254,340</u>	<u>84,243,741</u>	<u>78,864,413</u>
Change in Net Position	<u>(\$408,953)</u>	<u>(\$3,310,233)</u>	<u>\$7,279,360</u>	<u>\$2,433,012</u>

Source: School District Records.

The School District implemented GASB 68 in fiscal year 2015.

2011	2012	2013	2014	2015	2016
(\$78,354,020)	(\$78,092,886)	(\$79,168,619)	(\$75,972,493)	(\$76,565,369)	(\$79,662,793)
41,222,092	36,350,086	43,920,672	46,152,421	44,020,483	37,571,044
3,248,049	2,517,199	2,544,368	2,615,606	2,452,865	2,311,390
1,953,476	1,623,331	1,725,996	1,777,796	1,668,331	5,112,378
3,217,041	3,769,607	3,464,114	3,710,151	3,881,320	3,635,600
198,962	157,882	(20,926)	312,279	242,400	584,226
34,570,047	34,579,559	32,831,800	33,547,912	34,089,574	32,581,232
152,446	147,731	167,983	155,139	255,556	114,020
0	0	0	0	0	758
238,814	781,681	1,038,253	178,587	759,066	805,284
84,800,927	79,927,076	85,672,260	88,449,891	87,369,595	82,715,932
\$6,446,907	\$1,834,190	\$6,503,641	\$12,477,398	\$10,804,226	\$3,053,139

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

	2007	2008	2009	2010
<b>General Fund</b>				
Reserved	\$13,241,226	\$15,315,873	\$14,344,202	\$13,265,955
Unreserved	5,028,757	3,235,516	7,466,773	10,221,736
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
<b>Total General Fund</b>	<u>\$18,269,983</u>	<u>\$18,551,389</u>	<u>\$21,810,975</u>	<u>\$23,487,691</u>
<b>All Other Governmental Funds</b>				
Reserved	\$981,536	\$1,949,064	\$2,538,473	\$2,058,837
Unreserved, Reported in:				
Special Revenue Funds	278,371	(1,076,114)	375,257	427,040
Debt Service Funds	1,194,512	1,071,556	1,035,064	1,055,225
Capital Project Funds	2,433,966	100,655	208,299	693,319
Permanent Funds	0	0	0	94,707
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<b>Total all Other Governmental Funds</b>	<u>\$4,888,385</u>	<u>\$2,045,161</u>	<u>\$4,157,093</u>	<u>\$4,329,128</u>

Source: School District Records.

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

2011	2012	2013	2014	2015	2016
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
54,549	41,489	11,000	11,000	11,000	400,062
554,329	812,264	931,943	527,033	458,064	8,832,585
24,609,553	25,972,050	30,882,889	42,201,249	50,374,983	39,937,115
<u>\$25,218,431</u>	<u>\$26,825,803</u>	<u>\$31,825,832</u>	<u>\$42,739,282</u>	<u>\$50,844,047</u>	<u>\$49,169,762</u>
\$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
120,684	127,763	79,000	79,000	146,298	79,000
4,130,877	3,065,950	7,014,383	3,806,387	3,046,376	86,649,707
3,699,071	5,425,741	7,461,026	7,947,551	5,706,281	3,445,759
(141,437)	(538,641)	(491,050)	(123,256)	(281,172)	(255,273)
<u>\$7,809,195</u>	<u>\$8,080,813</u>	<u>\$14,063,359</u>	<u>\$11,709,682</u>	<u>\$8,617,783</u>	<u>\$89,919,193</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues:				
Property Taxes	\$39,571,250	\$44,923,966	\$43,221,580	\$41,099,173
Payments in Lieu of Taxes	2,159,741	3,488,839	2,974,827	2,983,732
Intergovernmental	42,681,291	42,285,156	48,131,399	50,279,723
Investment Earnings	1,281,757	923,168	433,779	202,298
Tuition and Fees	1,207,360	1,107,809	908,960	1,615,133
Extracurricular Activities	500,925	641,725	670,974	524,755
Rent	0	0	0	0
Gifts and Donations	0	0	0	0
Charges for Services	2,856,808	2,795,010	3,398,723	3,028,333
Miscellaneous	689,921	467,523	814,488	409,555
Total Revenues	<u>\$90,949,053</u>	<u>\$96,633,196</u>	<u>\$100,554,730</u>	<u>\$100,142,702</u>

Source: School District Records.



2011	2012	2013	2014	2015	2016
\$46,496,662	\$40,713,901	\$48,730,582	\$50,372,524	\$48,648,693	\$45,642,244
3,217,041	3,769,607	3,464,114	3,710,151	3,881,320	3,635,600
49,954,418	45,192,632	43,465,307	47,674,373	50,347,957	47,714,254
198,962	157,882	(31,452)	311,253	231,500	1,168,549
1,699,249	1,764,717	1,709,059	1,294,081	2,116,708	1,140,812
614,328	645,926	818,202	726,284	661,936	480,624
0	0	671,196	640,003	660,409	652,427
0	0	178,483	165,139	255,556	402,907
2,611,679	1,924,423	1,725,756	1,583,350	1,571,394	1,781,843
333,927	1,509,858	1,038,253	178,587	759,066	805,284
<u>\$105,126,266</u>	<u>\$95,678,946</u>	<u>\$101,769,500</u>	<u>\$106,655,745</u>	<u>\$109,134,539</u>	<u>\$103,424,544</u>

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

	2007	2008	2009	2010
Instruction	\$49,180,578	\$55,063,771	\$49,098,127	\$51,443,938
Pupils	4,796,893	4,658,356	5,123,343	5,755,844
Instructional Staff	5,832,460	5,701,322	5,880,737	6,199,761
Board of Education	281,111	183,505	93,830	178,161
Administration	5,906,050	5,806,393	5,942,361	5,549,993
Fiscal	1,695,551	1,581,267	1,785,013	1,581,215
Business	512,931	694,398	707,873	596,807
Operation and Maintenance of Plant	7,956,222	9,138,204	8,487,069	7,806,790
Pupil Transportation	4,584,733	4,741,030	4,438,485	5,402,586
Central	1,189,253	1,682,782	1,503,774	1,977,662
Operation of Non-Instructional Services	6,651,816	7,120,644	8,142,696	6,718,077
Extracurricular Activities	1,733,681	1,783,724	1,836,262	1,858,764
Capital Outlay	0	0	147,548	990,767
Debt Service				
Principal Retirements	675,000	928,396	1,129,533	1,351,679
Interest and Fiscal Charges	994,495	969,747	934,502	881,907
Issuance Costs	0	0	0	0
Total Expenditures	<u>\$91,990,774</u>	<u>\$100,053,539</u>	<u>\$95,251,153</u>	<u>\$98,293,951</u>
Debt Service as a Percentage of Noncapital Expenditures	1.82%	1.90%	2.19%	2.32%

Source: School District Records.

2011	2012	2013	2014	2015	2016
\$51,738,062	\$49,147,165	\$49,540,643	\$54,153,033	\$57,710,898	\$56,737,953
5,981,301	5,734,490	5,445,195	5,422,641	5,640,673	5,634,276
7,437,142	6,676,607	6,131,354	2,324,603	3,429,009	3,067,267
131,907	173,521	106,610	62,676	123,828	144,657
5,997,588	5,694,393	5,797,858	5,673,717	5,875,866	6,320,105
2,084,929	1,965,954	2,061,788	1,862,236	1,925,220	1,905,630
605,131	448,021	430,116	435,194	421,010	310,861
7,725,956	6,753,373	7,260,093	6,892,569	7,087,307	6,604,914
5,113,826	4,753,428	5,278,539	5,559,199	5,707,840	5,081,954
1,774,642	1,593,639	1,602,071	1,335,845	1,345,689	1,301,175
7,405,032	6,456,083	7,425,550	6,513,109	7,837,697	7,348,485
1,964,452	1,902,618	1,907,581	1,888,006	1,789,058	1,691,507
36,483	554,874	7,621,167	3,096,775	2,325,834	4,753,358
990,000	1,070,000	1,155,000	1,875,000	1,890,000	2,190,307
829,008	775,790	1,046,827	1,001,369	1,011,744	2,085,055
0	0	0	0	0	606,306
<u>\$99,815,459</u>	<u>\$93,699,956</u>	<u>\$102,810,392</u>	<u>\$98,095,972</u>	<u>\$104,121,673</u>	<u>\$105,783,810</u>

1.86%                      2.01%                      2.34%                      3.05%                      2.88%                      4.83%

**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*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	\$31,856	\$3,917	\$67,941	\$250
Inception of Capital Leases	0	854,608	0	0
Payments to Refunded Bonds Escrow Agent	0	0	0	0
Proceeds of Refunding Bonds	0	0	0	0
Bonds Issued	0	0	0	0
Premium on Bonds and Notes Issued	0	0	0	0
Transfers In	0	2,628	0	61,649
Transfers Out	0	(2,628)	0	(61,649)
Total Other Financing Sources (Uses)	<u>31,856</u>	<u>858,525</u>	<u>67,941</u>	<u>250</u>
Net Change in Fund Balances	<u>(\$1,009,865)</u>	<u>(\$2,561,818)</u>	<u>\$5,371,518</u>	<u>\$1,849,001</u>

Source: School District Records.

2011	2012	2013	2014	2015	2016
\$0	\$0	\$2,850	\$0	\$0	\$758
0	0	0	0	0	178,866
0	0	0	0	0	(8,913,295)
0	0	0	0	0	8,655,000
0	0	11,890,000	0	0	76,000,000
0	0	130,617	0	0	6,065,062
65,000	0	60,000	60,000	60,000	60,000
(165,000)	(100,000)	(60,000)	(60,000)	(60,000)	(60,000)
<u>(100,000)</u>	<u>(100,000)</u>	<u>12,023,467</u>	<u>0</u>	<u>0</u>	<u>81,986,391</u>
<u>\$5,210,807</u>	<u>\$1,878,990</u>	<u>\$10,982,575</u>	<u>\$8,559,773</u>	<u>\$5,012,866</u>	<u>\$79,627,125</u>

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

Calendar Year	Real Property Assessed Value	Estimated Actual Value	Tangible Personal Property Assessed Value	Estimated Actual Value	Public Utilities Personal Assessed Value
2007	\$1,635,959,680	\$4,674,170,514	\$24,896,760	\$31,120,950	\$32,546,400
2008	1,632,851,870	4,665,291,057	2,585,353	3,231,691	32,779,000
2009	1,620,943,080	4,631,265,943	2,675,180	3,343,975	35,300,900
2010	1,616,185,810	4,617,673,743	1,260,480	1,575,600	35,469,760
2011	1,444,372,160	4,126,777,600	0	0	35,573,060
2012	1,444,372,160	4,126,777,600	0	0	35,573,060
2013	1,434,832,940	4,099,522,686	0	0	40,743,160
2014	1,434,689,580	4,099,113,086	0	0	44,188,630
2015	1,384,139,410	3,954,684,029	0	0	47,404,440
2016	1,387,706,210	3,964,874,886	0	0	49,276,380

Source: Hamilton County Auditor.

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

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

Estimated Actual Value	Total Assessed Value	Total Estimated Actual Value	Ratio	Weighted Average Tax Rate
\$260,371,200	\$1,693,402,840	\$4,965,662,664	34.10%	\$9.80
524,464,000	1,668,216,223	5,192,986,748	32.12%	10.29
353,009,000	1,658,919,160	4,987,618,918	33.26%	10.69
709,395,200	1,652,916,050	5,328,644,543	31.02%	10.10
711,461,200	1,479,945,220	4,838,238,800	30.59%	10.19
711,461,200	1,479,945,220	4,838,238,800	30.59%	11.13
814,863,200	1,475,576,100	4,914,385,886	30.03%	12.83
883,772,600	1,478,878,210	4,982,885,686	29.68%	12.72
948,088,800	1,431,543,850	4,902,772,829	29.20%	12.66
985,527,600	1,436,982,590	4,950,402,486	29.03%	12.42

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

	2007	2008	2009	2010
<b>UNVOTED MILLAGE:</b>				
Operating	\$6.33	\$6.33	\$4.33	\$4.33
Permanent Improvement	0.00	0.00	2.00	2.00
<b>VOTED MILLAGE - BY LEVY:</b>				
1976 Current Expense				
Residential/Agricultural Real	5.23	5.22	5.31	5.32
Commercial/Industrial and Public Utility Real	7.28	7.17	7.13	7.28
General Business and Public Utility Personal	19.84	19.84	19.84	19.84
1986 Current Expense				
Residential/Agricultural Real	4.27	4.26	4.34	4.35
Commercial/Industrial and Public Utility Real	4.92	4.84	4.82	4.92
General Business and Public Utility Personal	9.86	9.86	9.86	9.86
1989 Current Expense				
Residential/Agricultural Real	3.33	3.33	3.39	3.39
Commercial/Industrial and Public Utility Real	4.19	4.13	4.11	4.20
General Business and Public Utility Personal	6.95	6.95	6.95	6.95
1997 Current Expense				
Residential/Agricultural Real	3.71	3.70	3.77	3.77
Commercial/Industrial and Public Utility Real	4.32	4.25	4.23	4.32
General Business and Public Utility Personal	5.56	5.56	5.56	5.56
1997 Bond (\$25,000,000)				
Residential/Agricultural Real	0.96	0.96	1.12	1.12
Commercial/Industrial and Public Utility Real	0.96	0.96	1.12	1.12
General Business and Public Utility Personal	0.96	0.96	1.12	1.12
2007 Emergency (\$6,411,000)				
Residential/Agricultural Real	0.00	3.89	3.90	3.91
Commercial/Industrial and Public Utility Real	0.00	3.89	3.90	3.91
General Business and Public Utility Personal	0.00	3.89	3.90	3.91
2010 Emergency (\$6,411,000)				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
2012 Emergency (\$7,344,295)				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
2015 Current Expense				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
2015 Bond (\$76,000,000)				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
<b>TOTAL VOTED MILLAGE BY TYPE OF PROPERTY</b>				
Residential/Agricultural Real	17.50	21.36	21.83	21.86
Commercial/Industrial and Public Utility Real	21.67	25.24	25.31	25.75
General Business and Public Utility Personal	43.17	47.06	47.23	47.24
<b>TOTAL SCHOOL DISTRICT MILLAGE</b>				
	49.50	53.39	53.56	53.57
<b>WEIGHTED AVERAGE</b>				
	9.80	10.29	10.69	10.10



2011	2012	2013	2014	2015	2016
\$4.33	\$4.33	\$4.33	\$4.33	\$4.33	\$4.33
2.00	2.00	2.00	2.00	2.00	2.00
5.33	6.00	6.03	6.06	6.37	6.38
7.53	8.41	8.74	8.79	8.94	8.98
19.84	19.84	19.84	19.84	19.84	19.84
4.36	4.90	4.92	4.95	5.20	5.21
5.09	5.68	5.91	5.94	6.04	6.07
9.86	9.86	9.86	9.86	9.86	9.86
3.40	3.83	3.85	3.86	4.06	4.07
4.34	4.85	5.04	5.06	5.15	5.18
6.95	6.95	6.95	6.95	6.95	6.95
3.78	4.26	4.28	4.30	4.52	4.52
4.46	4.99	5.19	5.21	5.30	5.33
5.56	5.56	5.56	5.56	5.56	5.56
1.12	1.30	1.36	1.36	1.36	1.36
1.12	1.30	1.36	1.36	1.36	1.36
1.12	1.30	1.36	1.36	1.36	1.36
3.94	0.00	0.00	0.00	0.00	0.00
3.94	0.00	0.00	0.00	0.00	0.00
3.94	0.00	0.00	0.00	0.00	0.00
0.00	4.38	4.52	4.52	4.52	0.00
0.00	4.38	4.52	4.52	4.52	0.00
0.00	4.38	4.52	4.52	4.52	0.00
0.00	0.00	5.15	5.15	5.15	5.15
0.00	0.00	5.15	5.15	5.15	5.15
0.00	0.00	5.15	5.15	5.15	5.15
0.00	0.00	0.00	0.00	0.00	1.00
0.00	0.00	0.00	0.00	0.00	1.00
0.00	0.00	0.00	0.00	0.00	1.00
0.00	0.00	0.00	0.00	0.00	2.82
0.00	0.00	0.00	0.00	0.00	2.82
0.00	0.00	0.00	0.00	0.00	2.82
21.93	24.67	30.11	30.20	31.18	30.51
26.48	29.61	35.91	36.03	36.46	35.89
47.27	47.89	53.24	53.24	53.24	52.54
53.60	54.22	59.57	59.57	59.57	58.87
10.19	11.13	12.83	12.36	12.66	12.42

continued

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

	2007	2008	2009	2010
<b>OVERLAPPING RATES BY TAXING DISTRICT</b>				
<b>Townships:</b>				
Residential/Agricultural Real	6.08 - 16.10	6.08 - 16.11	8.02 - 16.29	8.03 - 18.83
Commercial/Industrial and Public Utility Real	7.46 - 18.97	7.43 - 19.15	9.24 - 18.45	9.23 - 21.05
General Business and Public Utility Personal	9.81 - 20.30	9.81 - 20.30	11.71 - 20.30	11.71 - 22.80
<b>Corporations:</b>				
Residential/Agricultural Real	4.66 - 8.43	4.66 - 8.43	4.88 - 12.76	4.86 - 11.08
Commercial/Industrial and Public Utility Real	5.43 - 9.19	5.42 - 9.22	4.99 - 12.76	5.23 - 11.08
General Business and Public Utility Personal	5.94 - 11.08	5.94 - 11.08	5.94 - 12.76	5.94 - 11.08
<b>Butler County Joint Vocational District:</b>				
Residential/Agricultural Real	0.00	0.00	1.93	1.93
Commercial/Industrial and Public Utility Real	0.00	0.00	1.93	1.93
General Business and Public Utility Personal	0.00	0.00	1.93	1.93
<b>COUNTY AND OTHER UNITS:</b>				
<b>Butler County:</b>				
Residential/Agricultural Real	9.85	9.33	8.55	8.89
Commercial/Industrial and Public Utility Real	10.62	10.08	8.65	8.97
General Business and Public Utility Personal	10.95	10.45	9.75	9.75
<b>Metro Parks of Butler County:</b>				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
<b>Hamilton County:</b>				
Residential/Agricultural Real	11.97	12.34	12.33	12.36
Commercial/Industrial and Public Utility Real	15.03	15.38	14.92	15.07
General Business and Public Utility Personal	19.15	19.53	19.60	19.45
<b>Hamilton County Park District:</b>				
Residential/Agricultural Real	0.78	0.78	0.78	0.78
Commercial/Industrial and Public Utility Real	0.94	0.94	0.90	1.91
General Business and Public Utility Personal	1.03	1.03	1.03	1.03
<b>Cincinnati-Hamilton City Public Library:</b>				
Residential/Agricultural Real	0.00	0.00	0.00	1.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	1.00
General Business and Public Utility Personal	0.00	0.00	0.00	1.00

Source: Ohio Department of Taxation.

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table (schedule 8), generated the property tax revenue for that year.

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

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

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

2011	2012	2013	2014	2015	2016
8.05 - 18.94	8.67 - 21.15	8.68 - 22.27	8.70 - 22.41	5.92 - 22.81	9.82-23.67
9.34 - 21.66	9.77 - 22.72	9.80 - 23.74	9.85 - 23.75	5.95 - 22.93	9.85-23.79
11.71 - 22.80	11.71 - 22.80	11.71 - 23.80	11.71 - 23.80	7.19 - 22.98	11.09-23.80
4.88 - 11.08	5.23 - 11.08	5.24 - 11.08	5.25 - 11.08	5.37 - 11.08	5.38-16.83
5.28 - 11.08	5.63 - 11.08	5.73 - 11.08	5.69 - 11.46	5.76 - 11.31	5.79-16.83
5.94 - 11.08	5.94 - 6.68	5.94 - 11.08	5.94 - 11.69	5.94 - 11.58	5.94-16.83
1.93	1.93	1.93	1.93	1.93	1.93
1.93	1.93	1.93	1.93	1.93	1.93
1.93	1.93	1.93	1.93	1.93	1.93
8.95	9.08	9.09	9.09	9.13	9.12
9.21	9.54	9.55	9.55	9.56	9.54
9.72	9.72	9.72	9.72	9.72	9.72
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50	0.50
12.42	13.35	13.41	13.45	13.26	13.29
15.57	16.10	16.28	16.37	16.44	16.49
19.45	19.03	19.03	19.03	18.85	18.85
0.79	0.87	0.88	0.88	0.88	0.88
0.96	1.02	1.03	1.03	1.03	1.03
1.03	1.03	1.03	1.03	1.03	1.03
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00

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

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$46,763,460	\$43,657,969	93.36%	\$1,326,968	\$44,984,937	96.20%
2008	50,800,639	48,207,637	94.90%	1,590,158	49,797,795	98.03%
2009	50,772,759	46,882,929	92.34%	1,423,427	48,306,356	95.14%
2010	51,248,384	46,784,226	91.29%	1,495,281	48,279,507	94.21%
2011	52,001,081	47,330,833	91.02%	1,772,516	49,103,349	94.43%
2012	50,973,174	46,194,644	90.63%	2,093,891	48,288,535	94.73%
2013	58,895,102	55,041,653	93.46%	1,711,628	56,753,281	96.36%
2014	58,788,930	55,204,307	93.90%	1,583,887	56,788,194	96.60%
2015	58,269,300	54,983,676	94.36%	1,471,776	56,455,452	96.89%
2016	56,768,245	54,449,775	95.92%	1,174,641	55,624,416	97.99%

Source: Hamilton County Auditor.

(1) Current levied and current tax collections do not include rollback and homestead amounts.

(2) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

**Northwest Local School District**  
*Principal Property Taxpayers*  
 2015 and 2007  
 Schedule 11

Taxpayer	2015 (1)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Duke Energy Ohio Inc.	\$45,647,840	3.18%
TKG Colerain Towne Center	10,540,950	0.73%
T Northgate Mall LLC	6,800,530	0.47%
Rumpke Sanitary Landfill INC	6,500,280	0.45%
Mercy Hospitals West	6,102,540	0.42%
Joseph Realty LLC	5,261,300	0.37%
Prospect Square 15 LLC	4,097,760	0.29%
C/O ACF Property MGMT Northwest Woods LLC	3,571,970	0.25%
Lees Crossing LLC	3,466,180	0.24%
Ashley Woods Apartments LP	3,437,110	0.24%
<b>Total Principal Taxpayers</b>	<b>95,426,460</b>	<b>6.64%</b>
All Other Taxpayers	<u>1,341,556,130</u>	<u>93.36%</u>
<b>Total All Taxpayers</b>	<b><u>\$1,436,982,590</u></b>	<b><u>100.00%</u></b>
Taxpayer	2007 (1)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Northgate Partners LLC	\$35,335,660	2.09%
KIR Colerain LLC	9,634,760	0.57%
Rumpke Sanitary Landfill Inc.	6,909,270	0.41%
Cincinnati Mills	6,075,130	0.36%
Procter & Gamble Co	5,873,360	0.35%
Wells Fargo Bank NA	5,558,370	0.33%
Wal-Mart Real Estate	5,409,260	0.32%
Stone Creek Development	4,148,400	0.24%
Northwest Woods LLC	4,020,180	0.24%
Lee Crossing LLC	3,986,400	0.24%
<b>Total Principal Taxpayers</b>	<b>86,950,790</b>	<b>5.13%</b>
All Other Taxpayers	<u>1,606,452,050</u>	<u>94.87%</u>
<b>Total All Taxpayers</b>	<b><u>\$1,693,402,840</u></b>	<b><u>100.00%</u></b>

Source: Hamilton County Auditor.

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

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

Fiscal Year	General Bonded Debt		Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (2)	Net Bonded Debt Per Capita (3)
	General Obligation Bonds	Resources Available to Pay Principal			
2007	\$21,040,000	\$1,702,512	\$19,337,488	1.14%	225
2008	20,250,000	1,586,556	18,663,444	1.12%	217
2009	19,405,000	1,651,064	17,753,936	1.07%	207
2010	18,485,000	1,624,225	16,860,775	1.02%	226
2011	17,495,000	1,748,355	15,746,645	1.06%	212
2012	17,155,629	1,754,196	15,401,433	1.04%	207
2013	16,040,263	1,846,909	14,193,354	0.96%	191
2014	14,840,946	1,955,370	12,885,576	0.87%	173
2015	13,589,646	1,976,862	11,612,784	0.81%	156
2016	93,810,959	9,272,533	84,538,426	5.88%	1,136

Source: School District Records.

N/A - Bureau of Economic Analysis Data. Information for Hamilton County. Last updated in 2015.

(1) See schedule 15 for personal income data.

(2) See schedule 8 for total assessed property value.

(3) See schedule 15 for personal income and population data, which are reported on a calendar year basis.

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Other Debt Obligations				
QZAB and Tax-Exempt Bonds	Certificates of Participation	Total Outstanding Debt Obligations	Percentage of Personal Income (1)	General Debt Per Capita
\$0	\$0	\$21,040,000	0.06%	\$245
0	0	20,250,000	0.05%	236
0	0	19,405,000	0.05%	226
0	0	18,485,000	0.05%	248
0	0	17,495,000	0.05%	235
0	0	17,155,629	0.04%	230
5,419,586	6,594,770	28,054,619	0.07%	377
5,067,522	6,308,908	26,217,376	0.06%	352
4,715,458	5,978,046	24,283,150	0.06%	326
4,358,394	5,642,184	103,811,537	N/A	1,395

**Northwest Local School District**  
*Direct and Overlapping Governmental Activities Debt*  
*As of June 30, 2016*  
*Schedule 13*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct:			
Bonds Payable	<u>\$103,811,537</u>	100.00%	<u>\$103,811,537</u>
Overlapping Debt:			
Butler County	\$44,425,900	0.03%	\$13,328
Hamilton County	80,665,000	7.82%	6,308,003
City of Forest Park	3,870,000	11.17%	432,279
City of North College Hill	595,000	2.21%	13,150
Colerain Township	4,695,000	93.66%	4,397,337
Fairfield Township	9,820,000	0.50%	49,100
Springfield Township	8,510,000	12.79%	1,088,429
Butler Technology & Career Center JT. Voc. School District	<u>9,195,000</u>	17.67%	<u>1,624,757</u>
Total Overlapping Debt	<u>161,775,900</u>		<u>13,926,382</u>
Total Direct and Overlapping Debt	<u>\$265,587,437</u>		<u>\$117,737,919</u>

Source: Ohio Municipal Advisory Council.

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



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

	2007	2008	2009	2010	2011
Debt Limit	\$154,705,985	\$152,211,071	\$150,139,460	\$149,302,724	\$148,552,126
Total Net Debt Applicable to Limit	<u>21,040,000</u>	<u>20,250,000</u>	<u>19,405,000</u>	<u>18,485,000</u>	<u>16,425,000</u>
Legal Debt Margin	<u>\$133,665,985</u>	<u>\$131,961,071</u>	<u>\$130,734,460</u>	<u>\$130,817,724</u>	<u>\$132,127,126</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.60%	13.30%	12.92%	12.38%	11.06%
	2012	2013	2014	2015	2016
Debt Limit	\$133,334,715	\$132,801,849	\$133,099,039	\$128,838,947	\$129,328,433
Total Net Debt Applicable to Limit	<u>20,660,000</u>	<u>25,313,091</u>	<u>23,329,630</u>	<u>21,418,138</u>	<u>82,912,467</u>
Legal Debt Margin	<u>\$112,674,715</u>	<u>\$107,488,758</u>	<u>\$109,769,409</u>	<u>\$107,420,809</u>	<u>\$46,415,966</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.49%	19.06%	17.53%	16.62%	64.11%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value (1)	\$1,436,982,590
Debt Limit (9% of Assessed Value)	129,328,433
Debt Applicable to Limit	92,185,000
Less Amount Available in Debt Service	<u>(9,272,533)</u>
Legal Debt Margin	<u>\$46,415,966</u>

Source: School District Records.

(1) Assessed values are on a calendar year basis (i.e. fiscal year 2016 is calendar year 2015).

**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)
2007	85,875	\$36,488,577	\$42,730	5.0%
2008	85,875	37,484,285	43,918	5.6%
2009	85,875	36,248,694	44,320	8.9%
2010	74,442	36,770,921	45,852	9.4%
2011	74,442	37,522,065	46,881	8.6%
2012	74,442	39,631,501	49,413	6.8%
2013	74,442	40,415,100	50,235	7.3%
2014	74,442	41,322,507	51,229	7.1%
2015	74,442	42,060,595	52,081	4.4%
2016	74,442	N/A	N/A	4.4%

N/A - Information not available.

(1) Population estimates provided by U.S. Census Bureau.

(2) Bureau of Economic Analysis Data. Information for Hamilton County. Last updated in 2015.

(3) Bureau of Economic Analysis Data. Information for Hamilton County. Last updated in 2015.

(4) Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information - Annual Average.

**Northwest Local School District**  
*Major Employers*  
 2016 and 2007  
 Schedule 16

		2016	
Major Employers	Type	Number of Employees	Employer's Percentage of Total Employment
Kroger Company	Trade	20,948	0.99%
University of Cincinnati	Education	15,378	0.73%
Cincinnati Children's Hospital	Medical	14,954	0.71%
City of Cincinnati	Government	11,156	0.53%
Procter & Gamble Co	Mfg	11,000	0.52%
UC Health	Medical	10,000	0.47%
GE Aviation	Mfg	8,670	0.41%
Catholic Health Partners/Mercy	Medical	8,210	0.39%
St. Elizabeth Healthcare	Medical	7,270	0.34%
Fifth Third Bancorp	Finance	6,815	0.32%
	Total	<u>114,401</u>	<u>5.41%</u>
Total Metropolitan Statistical Area Estimate		2,114,580	
		2007	
Major Employers	Type	Number of Employees	Employer's Percentage of Total Employment
Kroger Company	Trade	15,093	0.73%
University of Cincinnati	Education	15,400	0.74%
Cincinnati Children's Hospital	Medical	12,256	0.59%
City of Cincinnati	Government	8,874	0.43%
Procter & Gamble Co	Mfg	13,745	0.66%
GE Aviation	Mfg	8,912	0.43%
Catholic Health Partners/Mercy	Medical	7,122	0.34%
	Total	<u>81,402</u>	<u>3.93%</u>
Total Metropolitan Statistical Area Estimate		2,069,960	

Sources:

Cincinnatiusa.org.

Business Courier 2014-2015 Winter Book of Business Lists-supplies by Treasury.

Data ranked by local employees as of July 2014 - per Book of Lists.

Citypopulation.de - USA - metropolitan statistical area - Cincinnati, OH-KY-IN.

**Northwest Local School District**  
*Full-Time Equivalent School District Employees by Type*  
*Last Ten Fiscal Years*  
*Schedule 17*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Administrative</b>				
Central Office	12.0	15.0	17.0	17.0
Certified Licensed	27.0	26.0	25.0	25.0
Classified	12.0	11.0	10.0	12.0
Total Administrative	<u>51.0</u>	<u>52.0</u>	<u>52.0</u>	<u>54.0</u>
<b>Instructional Staff</b>				
Teachers	632.0	624.0	577.0	575.0
Instructional Specialists	9.0	8.0	8.0	8.0
Librarians	4.0	4.0	4.0	4.0
Instructional Coordinator	1.0	1.0	1.0	1.0
Counselors	17.0	17.0	17.0	17.0
Psychologist	1.0	0.0	0.0	0.0
Total Instructional Staff	<u>664.0</u>	<u>654.0</u>	<u>607.0</u>	<u>605.0</u>
<b>Support Staff</b>				
Educational Assistants	151.5	150.5	150.0	157.7
Nurses	1.0	1.0	1.0	1.0
Health Technician	18.0	18.0	17.0	17.0
Library Assistants	14.0	14.0	13.0	13.0
Transportation/Delivery	91.0	75.0	75.0	79.0
Food Service	104.0	104.0	100.0	98.3
Secretarial/Clerical	62.0	64.0	65.0	65.0
Data Processing	6.0	6.0	6.0	5.0
Maintenance	8.0	10.0	10.0	9.0
Custodial	67.0	63.0	62.0	62.5
Total Support Staff	<u>522.5</u>	<u>505.5</u>	<u>499.0</u>	<u>507.5</u>
<b>Total School District Staff</b>	<u><u>1,237.5</u></u>	<u><u>1,211.5</u></u>	<u><u>1,158.0</u></u>	<u><u>1,166.5</u></u>

Source: School District Records.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
19.0	18.0	16.0	16.0	23.0	15.0
25.0	25.0	25.0	25.0	24.0	25.0
12.0	12.0	11.0	11.0	5.0	14.0
<u>56.0</u>	<u>55.0</u>	<u>52.0</u>	<u>52.0</u>	<u>52.0</u>	<u>54.0</u>
558.0	520.0	502.0	502.0	505.0	508.0
12.0	12.0	14.0	14.0	14.0	7.0
3.0	4.0	4.0	4.0	5.0	4.0
1.0	0.0	0.0	0.0	0.0	0.0
17.0	17.0	16.0	16.0	16.0	17.0
0.0	0.0	0.0	0.0	0.0	1.0
<u>591.0</u>	<u>553.0</u>	<u>536.0</u>	<u>536.0</u>	<u>540.0</u>	<u>537.0</u>
183.5	178.5	159.0	159.0	184.0	161.0
1.0	1.0	1.0	1.0	1.0	1.0
17.0	16.0	16.0	16.0	16.0	16.0
13.0	9.0	9.0	9.0	8.0	8.0
78.5	78.5	71.5	71.5	90.0	86.0
97.5	97.5	89.0	89.0	90.0	86.0
63.0	60.0	58.0	58.0	64.0	57.0
5.0	5.0	5.0	5.0	6.0	5.0
11.0	10.0	10.0	10.0	10.0	9.0
<u>62.5</u>	<u>57.0</u>	<u>50.0</u>	<u>50.0</u>	<u>47.0</u>	<u>49.0</u>
<u>532.0</u>	<u>512.5</u>	<u>468.5</u>	<u>468.5</u>	<u>516.0</u>	<u>478.0</u>
<u><u>1,179.0</u></u>	<u><u>1,120.5</u></u>	<u><u>1,056.5</u></u>	<u><u>1,056.5</u></u>	<u><u>1,108.0</u></u>	<u><u>1,069.0</u></u>

**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)
2007	10,370	\$90,321,279	\$8,710	1.27%	\$92,457,640
2008	9,823	98,155,396	9,992	14.73%	100,390,039
2009	9,616	93,039,570	9,675	-3.17%	93,922,968
2010	9,678	95,069,598	9,823	1.53%	96,952,722
2011	9,515	97,959,968	10,295	4.81%	99,462,807
2012	9,263	91,299,292	9,856	-4.26%	93,606,395
2013	9,252	92,987,398	10,051	1.97%	94,787,610
2014	9,279	92,122,828	9,928	-1.22%	94,364,396
2015	9,080	98,894,095	10,891	9.70%	97,200,290
2016	8,930	96,148,784	10,767	-1.14%	100,083,579

Source: School District Records.

(1) Operating Expenditures are Total Expenditures minus Capital Outlay and Debt Service from Schedule 6 .

(2) Operating Expenditures by Enrollment.

(3) Expenses are Total Expenses from Schedule 2.

(4) Expenses by Enrollment.

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Cost Per Pupil (4)	Percentage Change of Cost Per Pupil	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
\$8,916	0.96%	632	16.41	30.95%
10,220	14.63%	624	15.74	30.53%
9,767	-4.43%	577	16.67	38.28%
10,018	2.56%	575	16.83	40.71%
10,453	4.35%	558	17.05	46.42%
10,105	-3.33%	520	17.81	48.76%
10,245	1.38%	502	18.43	49.37%
10,170	-0.73%	502	18.48	49.00%
10,705	5.26%	505	17.98	45.00%
11,208	4.70%	508	17.58	52.00%

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

School	2007	2008	2009	2010
Elementary				
Colerain Elementary - 1923				
Square feet	84,934	84,934	84,934	84,934
Capacity (1)	850	850	850	850
Enrollment	668	645	852	856
Bevis Elementary - 1970				
Square feet	48,640	48,640	48,640	48,640
Capacity (1)	600	600	600	600
Enrollment	490	445	429	440
Houston Elementary - 1966				
Square feet	62,826	62,826	62,826	62,826
Capacity (1)	600	600	0	0
Enrollment	422	408	0	0
Monfort Heights Elementary - 2000				
Square feet	76,787	76,787	76,787	76,787
Capacity (1)	700	700	700	700
Enrollment	718	685	645	665
Pleasant Run Elementary - 1961				
Square feet	54,751	54,751	54,751	54,751
Capacity (1)	575	575	575	575
Enrollment	500	481	394	418
Struble Elementary - 1959				
Square feet	45,000	45,000	45,000	45,000
Capacity (1)	376	376	376	376
Enrollment	405	400	408	409
Taylor Elementary - 1960				
Square feet	56,262	56,262	56,262	56,262
Capacity (1)	525	525	525	525
Enrollment	493	348	488	521
Weigel Elementary - 1965				
Square feet	55,057	55,057	55,057	55,057
Capacity (1)	500	500	500	500
Enrollment	502	467	470	488
Welch Elementary - 1977				
Square feet	46,800	46,800	46,800	46,800
Capacity (1)	425	425	425	425
Enrollment	372	325	387	367

Source: School District Records.

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



2011	2012	2013	2014	2015	2016
84,934	84,934	84,934	84,934	84,934	84,934
850	850	850	850	850	850
849	848	861	899	942	944
48,640	48,640	48,640	48,640	48,640	48,640
600	600	600	600	600	600
442	454	434	0	0	0
62,826	62,826	62,826	62,826	62,826	62,826
0	0	0	0	0	0
0	0	0	0	0	0
76,787	76,787	76,787	76,787	76,787	76,787
700	700	700	700	700	700
655	644	669	667	651	659
54,751	54,751	54,751	54,751	54,751	54,751
575	575	575	575	575	575
389	367	356	552	514	497
45,000	45,000	45,000	45,000	45,000	45,000
376	376	376	376	376	376
417	361	430	444	439	425
56,262	56,262	56,262	56,262	56,262	56,262
525	525	525	525	525	525
494	431	463	631	575	571
55,057	55,057	55,057	55,057	55,057	55,057
500	500	500	500	500	500
490	476	454	455	424	424
46,800	46,800	46,800	46,800	46,800	46,800
425	425	425	425	425	425
404	395	398	520	494	493

(continued)

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

School	2007	2008	2009	2010
Junior High School				
Colerain Middle - 1932				
Square feet	77,591	77,591	77,591	77,591
Capacity (1)	675	675	675	675
Enrollment	720	688	670	669
Pleasant Run Middle - 1969				
Square feet	108,230	108,230	108,230	108,230
Capacity (1)	1,100	1,100	1,100	1,100
Enrollment	879	857	867	816
White Oak Middle - 1961				
Square feet	81,950	81,950	81,950	81,950
Capacity (1)	735	735	735	735
Enrollment	773	754	751	721
High School				
Colerain High - 1964				
Square feet	193,768	193,768	193,768	193,768
Capacity (1)	2,100	2,100	2,100	2,100
Enrollment	2,215	2,166	2,151	2,165
Northwest High - 1972				
Square feet	163,345	163,345	163,345	163,345
Capacity (1)	1,250	1,250	1,250	1,250
Enrollment	1,213	1,154	1,104	1,102

Source: School District Records.

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

2011	2012	2013	2014	2015	2016
77,591	77,591	77,591	77,591	77,591	77,591
675	675	675	675	675	675
641	619	593	595	595	568
108,230	108,230	108,230	108,230	108,230	108,230
1,100	1,100	1,100	1,100	1,100	1,100
794	792	787	752	709	707
81,950	81,950	81,950	81,950	81,950	81,950
735	735	735	735	735	735
752	764	792	763	754	759
193,768	193,768	193,768	193,768	193,768	193,768
2,100	2,100	2,100	2,100	2,100	2,100
2,150	2,073	1,997	1,998	1,976	1,908
163,345	163,345	163,345	163,345	163,345	163,345
1,250	1,250	1,250	1,250	1,250	1,250
1,038	1,039	1,018	1,003	1,007	975

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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  
JANUARY 12, 2017**