



**Auditor of State
Betty Montgomery**

**NORTHWEST LOCAL SCHOOL DISTRICT
HAMILTON COUNTY**

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**NORTHWEST LOCAL SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|--------------------------------------------------------------------------|----------------------------------|---------------------------|--------------------|----------------------|--------------------|---------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Nutrition Cluster: | | | | | | |
| Food Distribution Program | N/A | 10.550 | \$0 | \$127,337 | \$0 | \$87,854 |
| National School Breakfast Program | 05-PU | 10.553 | 35,815 | | 35,815 | |
| National School Lunch Program | LL-P4 | 10.555 | 659,114 | | 659,114 | |
| Child/Adult Food Program | 21-FP | 10.558 | 2,072 | | 2,072 | |
| Total U.S. Department of Agriculture - Nutrition Cluster | | | 697,001 | 127,337 | 697,001 | 87,854 |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Special Education Cluster: | | | | | | |
| Special Education Grants to States (IDEA Part B) | 6B-SF | 84.027 | 787,263 | | 789,802 | |
| Special Education - Preschool Grant | PG-S1 | 84.173 | 34,603 | | 31,395 | |
| Total Special Education Cluster | | | 821,866 | 0 | 821,197 | 0 |
| Grants to Local Educational Agencies (ESEA Title I) | C1-S1 | 84.010 | 663,685 | | 673,987 | |
| Vocational Education Basic Grants to State | 20-C1 | 84.048 | 123,672 | | 115,400 | |
| Drug-Free Schools Grant | DR-S1 | 84.186 | 32,444 | | 49,022 | |
| Goals 2000 - State and Local Education Systematic Improvement | G2-S6 | 84.273 | 0 | | 868 | |
| Eisenhower Prof. Dev. State Grant | MS-S1 | 84.281 | 43,673 | | 45,547 | |
| Innovative Education Program Grant | C2-S1 | 84.298 | 68,011 | | 54,700 | |
| Classroom Size Reduction | CR-S1 | 84.340 | 151,019 | | 179,113 | |
| Reading Excellence | RN-S1 | 84.338 | 159,370 | | 191,030 | |
| Total U.S. Department of Education | | | 2,063,740 | 0 | 2,130,864 | 0 |
| <u>U.S. DEPARTMENT OF LABOR</u> | | | | | | |
| Employment Services and Job Training, Pilot and Demonstration Program | | | | | | |
| Schools that Work | N/A | 17.249 | 177,026 | | 177,026 | |
| Total Federal Assistance | | | \$2,937,767 | \$127,337 | \$3,004,891 | \$87,854 |

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

**NORTHWEST LOCAL SCHOOL DISTRICT
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.

NOTE C - MATCHING REQUIREMENTS

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



**Auditor of State
Betty Montgomery**

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

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

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

To the Board of Education:

We have audited the basic financial statements of the Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated January 21, 2003, wherein we noted the District adopted Government Accounting Standards Board Statements 34, 37, and 38 and Government Accounting Standards Board Interpretation No. 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated January 21, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the District in a separate letter dated January 21, 2003.

Northwest Local School District
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

January 21, 2003



**Auditor of State
Betty Montgomery**

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Northwest Local School District, Hamilton County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

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

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

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



Betty Montgomery
Auditor of State

January 21, 2003

**NORTHWEST LOCAL SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Special Education Cluster, CFDA# (84.027 & 84.173) Title I, CFDA# (84.010) |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$ 300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | Yes |

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

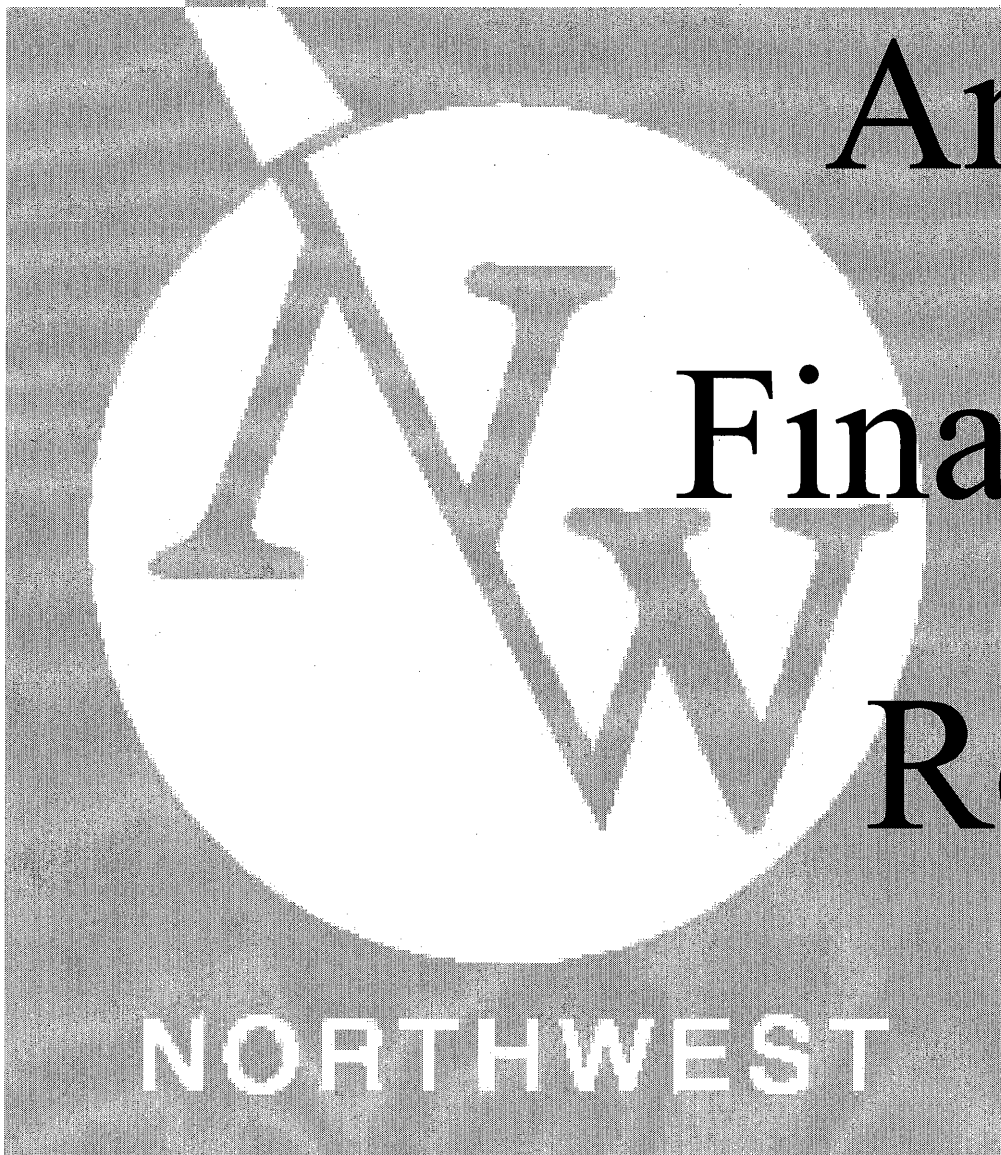
2002

Comprehensive

Annual

Financial

Report



For the year ended
June 30, 2002

Northwest Local School District
Cincinnati, Ohio

NORTHWEST LOCAL SCHOOL DISTRICT

CINCINNATI, OHIO

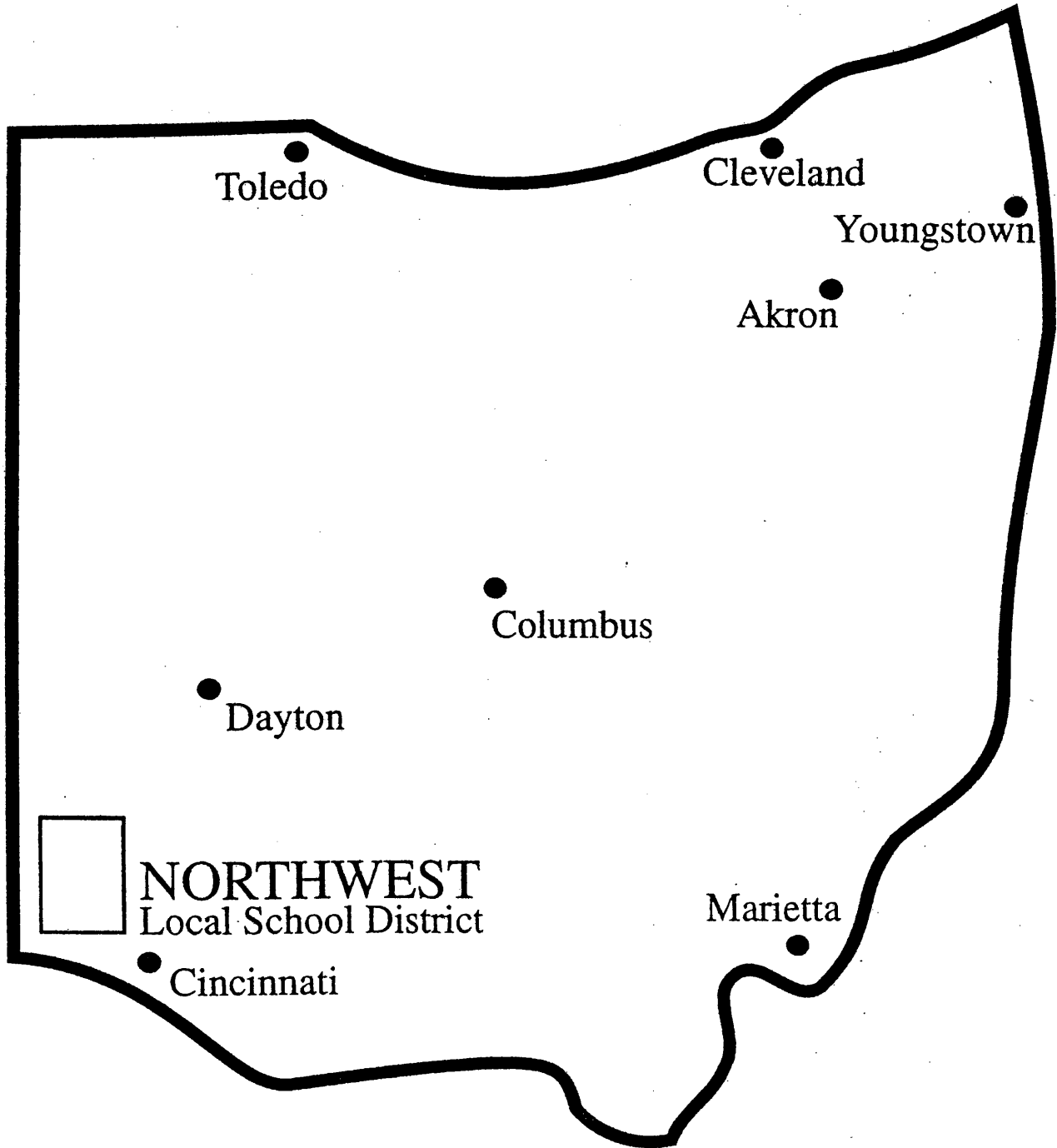
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Prepared by:
Office of the Treasurer

Randy L. Seymour
Treasurer

OHIO



Toledo

Cleveland

Youngstown

Akron

Columbus

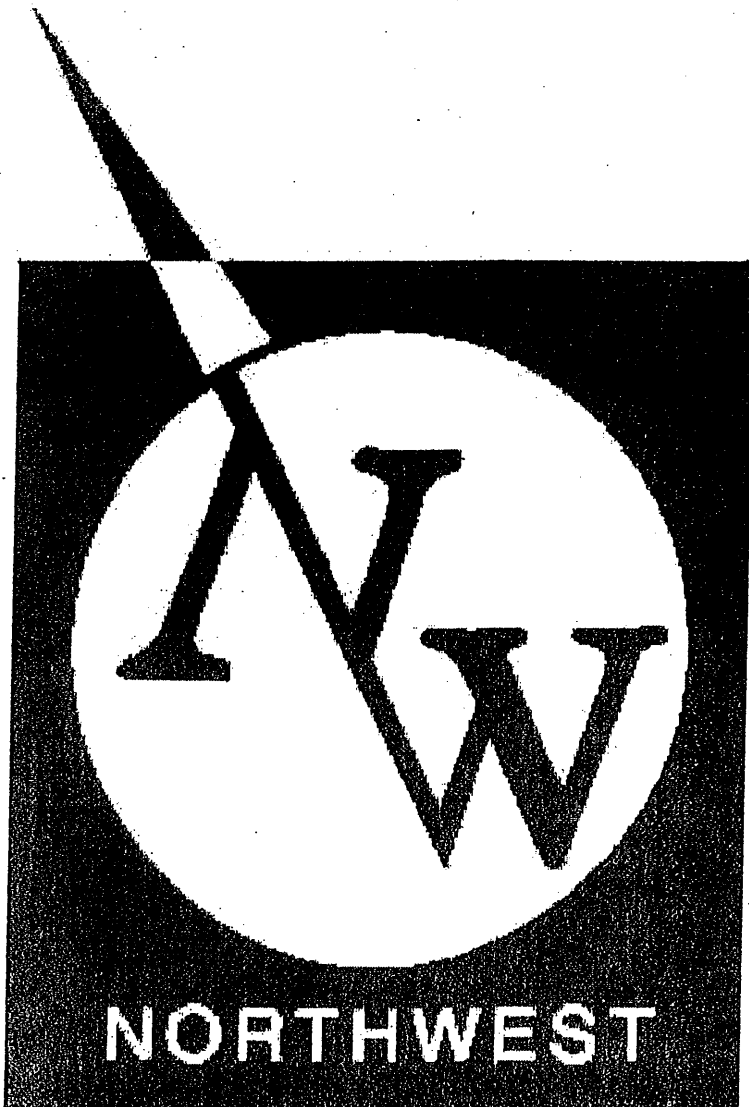
Dayton

 **NORTHWEST**
Local School District

Cincinnati

Marietta

**Introductory
Section**



**Northwest Local
School District**

**NORTHWEST LOCAL SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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**NORTHWEST LOCAL SCHOOL DISTRICT, OHIO
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NORTHWEST LOCAL SCHOOL DISTRICT

3240 BANNING ROAD • CINCINNATI, OHIO 45239 • 513-923-1000 • FAX: 513-923-3644

BOARD MEMBERS

Pamela L. Detzel - President
Bob McClain - Vice President
William E. Lambert
Dr. Susan Mosley-Howard
Rick H. Stewart

Kenneth J. Dirr - Superintendent
Randy L. Seymour - Treasurer

January 21, 2003

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

The Comprehensive Annual Financial Report [CAFR] of the Northwest Local School District [District] for the fiscal year ended June 30, 2002, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Auditor of State and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the Northwest Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes a table of contents, this transmittal letter, a list of principal officials, the District's organization chart, the District's consultants and advisors, the GFOA and ASBO certificates the District received for the June 30, 2001 CAFR. Also included are the District's major current and future initiatives.

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

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

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

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



EDUCATING TOMORROW'S LEADERS TODAY
NORTHWEST LOCAL SCHOOL DISTRICT

are: Beautiful Savior Lutheran School, Fellowship Christian School, LaSalle High School, St. Ann, St. Bernard, St. Ignatius, St. James and St. John Elementary Schools. While these organizations share operational and service similarity with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, a suburb of Cincinnati, in the north part of Hamilton County. Approximately 73% of the District’s tax base are agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains very positive with low unemployment rates, growth in the local tax base, and low inflationary pressures.

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

THE DISTRICT AND ITS FACILITIES

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

The District now houses 10,504 students in two high schools, three middle schools, nine elementary schools and two career centers. Each high school has an on-campus career center offering such programs as word processing, accounting and computing, data processing, diesel mechanics, machine tool technology, facilities maintenance and electronics. The District is the only local school district in Hamilton County with its own vocational program.

| <i>Constructed</i> | <i>School/Address</i> | <i>October, 2002 Enrollment</i> |
|--------------------|-------------------------------------------|-------------------------------------|
| 1923 | Colerain Elementary 4850 Poole Road | 702 |
| 1932 | Colerain Middle School 4700 Poole Road | 716 |
| 1959 | Struble Elementary 2760 Jonrose Ave. | 394 |
| 1960 | Taylor Elementary 3173 Springdale Road | 526 |

| <i>Constructed</i> | <i>School/Address</i> | <i>October, 2002 Enrollment</i> |
|--------------------|---------------------------------------------------|-------------------------------------|
| 1961 | White Oak Middle School 3130 Jessup Road | 817 |
| 1961 | Pleasant Run Elementary 11765 Hamilton Ave. | 537 |
| 1964 | Colerain High School 8801 Cheviot Road | 1,965 |
| 1965 | Weigel Elementary 3242 Banning Road | 492 |
| 1966 | Houston Elementary 3310 Compton Road | 509 |
| 1969 | Pleasant Run Middle 11770 Pippin Road | 1,002 |
| 1970 | Bevis Elementary 10133 Pottinger Road | 536 |
| 1972 | Northwest High School 10761 Pippin Road | 1,292 |
| 1977 | Welch Elementary 12084 Deerhorn Drive | 345 |
| 2000 | Monfort Heights Elementary 3711 West Fork Road | 671 |

ORGANIZATION OF THE SCHOOL DISTRICT

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

The Board members represent a cross section of professions in the community. The board members on June 30, 2002, were as follows:

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

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

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mr. Randy L. Seymour was appointed Assistant Treasurer in January, 1977, and became Treasurer of the District in January, 1979. Mr. Seymour holds a B.B.A. Degree from the University of Cincinnati and did graduate work at Xavier University and the University of Cincinnati.

EMPLOYEE RELATIONS

The District currently has approximately 1,240 full-time and 86 part-time employees. The number of employees has been steady for the last several years. During the 2002 fiscal year, the District paid, from its General Fund \$45,777,250 in salaries and wages, and \$12,146,798 in fringe benefits, such as retirement contributions, workers' compensation, and life and health benefits.

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

SERVICES PROVIDED

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

Transportation is provided for over 9,726 students each day. The District fleet of 100 buses travels over 5,374 miles each day transporting to 28 different sites. In addition to making more than 568 daily runs, the department transported both public and non-public students on 2,036 extra-curricular trips during the year.

The food service department served 986,810 plate lunches through the District's 14 kitchens. This is accomplished through the full operation of 12 kitchens and 2 satellite sites, as well as a central bakery. The District currently offers a breakfast program at three elementary sites.

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

Limited health services are provided by health assistants at each of the 14 school sites under the supervision of a registered nurse.

The District offers regular instructional programs daily to students in grades K-12. There are approximately 454 students in the specific trades through vocational education. Over 1,209 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 254 students participated in the gifted program. The District presented 658 high school diplomas in 2002.

MAJOR CURRENT AND FUTURE INITIATIVES

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

Mission

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

Vision

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

Beliefs

- *We believe all students are the focus of our endeavors.*
- *We are committed to quality education that challenges students.*
- *We are committed to safe schools that are an integral part of our community.*
- *We are committed to caring, knowledgeable professionals who engage students in innovative learning.*
- *We are committed to the essential involvement of parents in their children's education.*
- *We are committed to partnerships that enhance students' ability to connect their education with the world of work and life-long learning.*
- *We encourage students to value others, to be responsive to civic obligations that strengthen our diverse student body and community.*

The District has made major changes in our educational delivery system over the past several years. The high schools have now converted to a 4 X 4 block schedule with no study halls. Graduation requirements are being increased to 26 credits. The trimester system has been implemented in all middle schools, again with no study halls. The general curriculum track is being phased out. All high school students will be expected to take either challenging career and technical training or college preparatory courses.

High schools are firmly committed to the key practices developed for High Schools That Work. Colerain High and Northwest High are aggressively pursuing their High Schools That Work blueprint for their future. Both have implemented an advisor/advisee program to give individual students more personal attention in their academic and career planning. Both high schools have also implemented transition programs for ninth grade at-risk students.

This past year, the District achieved 12 of the possible 22 points on the State Report Card. This places the District in the second highest category, "Continuous Improvement." The District has shown steady improvement over the first five years, gaining points each year.

The focus of the District is on student achievement. The District has been working hard to reach out to all students, from high achievers to at-risk, to get them more actively engaged in their own learning. The conversion to the new delivery system and the larger blocks of time was driven by the need to make learning more interactive and engaging.

The District has utilized funds from the Cinergy Foundation to provide staff training in designing more engaging lessons. Utilizing the assistance of the Center for Leadership in School Reform (CLSR), the staff is being trained to teach differently than in the past. Teachers at all grade levels are expected to design lessons that actively engage the learners in the learning process.

Eight of the District's elementary schools are participating in a project called ROAR (Raising Our Academic Results) which focuses on improving our 4th grade proficiency scores. Two district ROAR teachers assist the schools in providing intervention and enrichment for targeted skills in reading. Fourth grade proficiency scores for Bevis and Taylor Elementaries increased dramatically last year during their first year of this program.

CHALLENGES FOR 2002-2003 AND BEYOND

- Continue to improve proficiency scores
- Increase the graduation rate
- Recruit and retain quality staff
- Provide time and finances for staff development
- Provide a safe learning environment
- Increase individualized help to students
- Align District goals, initiatives and state standards
- Continue to improve the utilization of technology to support learning

DISTRICT GOALS FOR 2002-2003

To improve student achievement through:

- Developing true middle schools which contain the components of *Turning Points 2000* from the National Middle School Association.
- Aligning curriculum vertically and horizontally with the state standards and proficiency/achievement tests.
- Improving instruction strategies.
- Studying the reconfiguration of the changing enrollment and demographic patterns.

BUSINESS-SCHOOL PARTNERSHIP PROGRAM

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

Partnerships provide opportunities for students to understand how the basic skills they learn in school are applied in the business world. However, it is not just the schools that benefit from partnerships. Businesses and their employees also gain from this special relationship, as many schools reciprocate with their own

projects which help their corporate or industrial partners. Partnerships also give those in the business community insight into the workings of the school and a better understanding of the needs of the educational system.

LONG-RANGE BUILDING AND MAINTENANCE PLANS

The District, as part of its strategic planning, in conjunction with the architectural firm of Steed, Hammond Paul, completed an Educational Facilities Master Plan in January, 2000. This plan has provided the blueprint for a four year facility improvement plan. The improvements were funded through proceeds from the sale of bonds. The facility improvement plan included the construction of a new elementary building, a new bus compound and six building additions. Included in the plan were over sixty other capital improvement projects ranging from fire alarm replacements to building renovations. The final projects of that plan will be completed in December, 2003.

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

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

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

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

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

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

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

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

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

FINANCIAL CONDITION

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2002 and the outlook for the future.

CASH MANAGEMENT

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of earnings on investments was \$634,298 for the year ended June 30, 2002.

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

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

RISK MANAGEMENT

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

All employees are covered under the District's liability policy with Nationwide Insurance Company. The limits of liability are \$1,000,000 for each occurrence and \$5,000,000 in aggregate.

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

INDEPENDENT AUDIT

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

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

ASBO Certificate

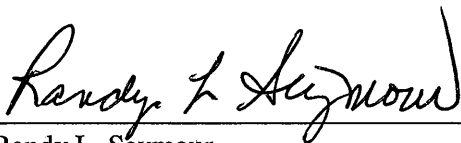
The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2001. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2002, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2002 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the District's Finance Department and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,



Randy L. Seymour
Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Northwest Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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



Imelda Chew
President

Jeffrey L. Esler
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to
NORTHWEST LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2001

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

Clark J. Goldshell
President

David A. Kelly
Interim Executive Director

LIST OF PRINCIPAL OFFICIALS
As of June 30, 2002

ADMINISTRATIVE OFFICE PERSONNEL

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

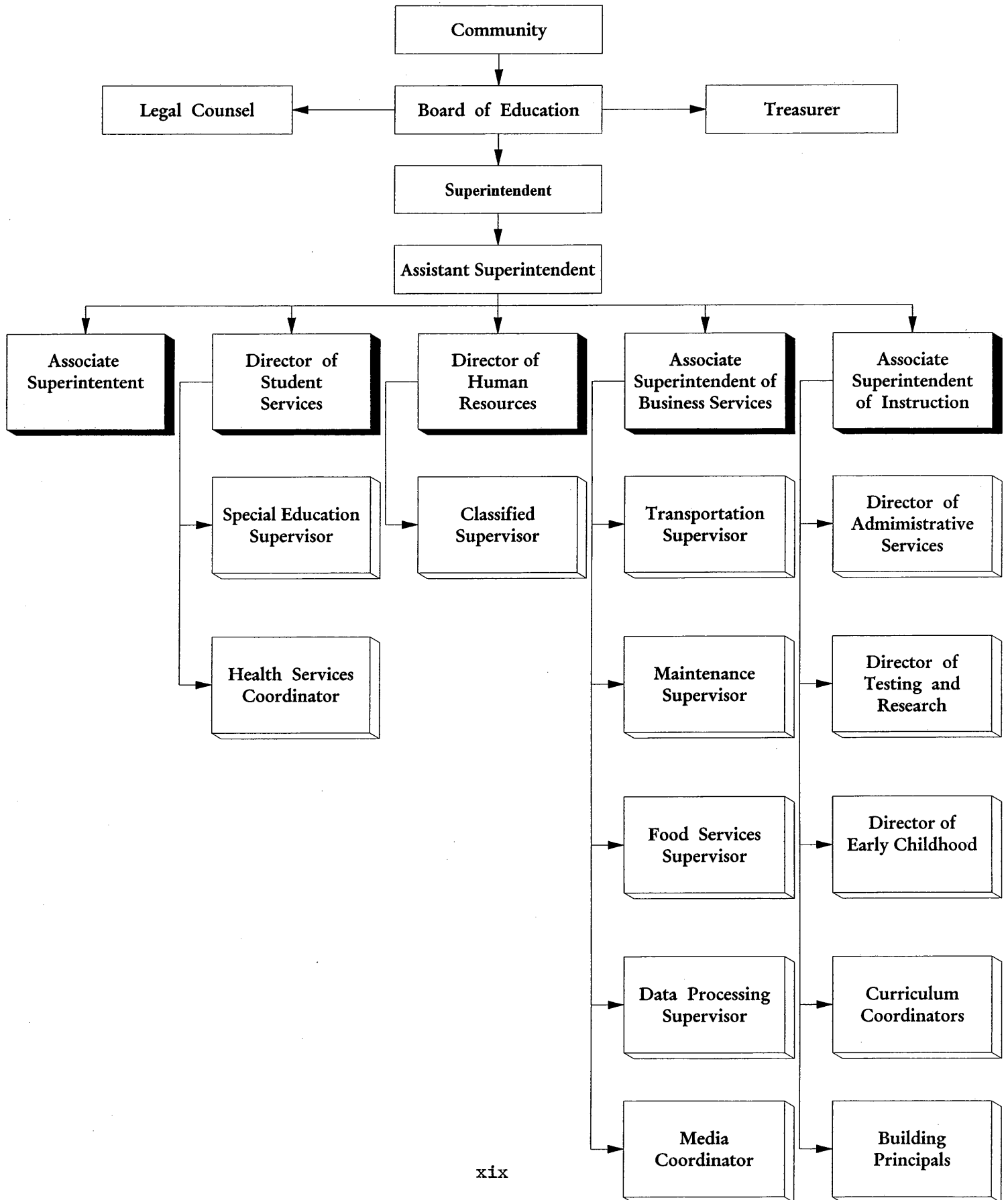
DISTRICT SUPERVISORS

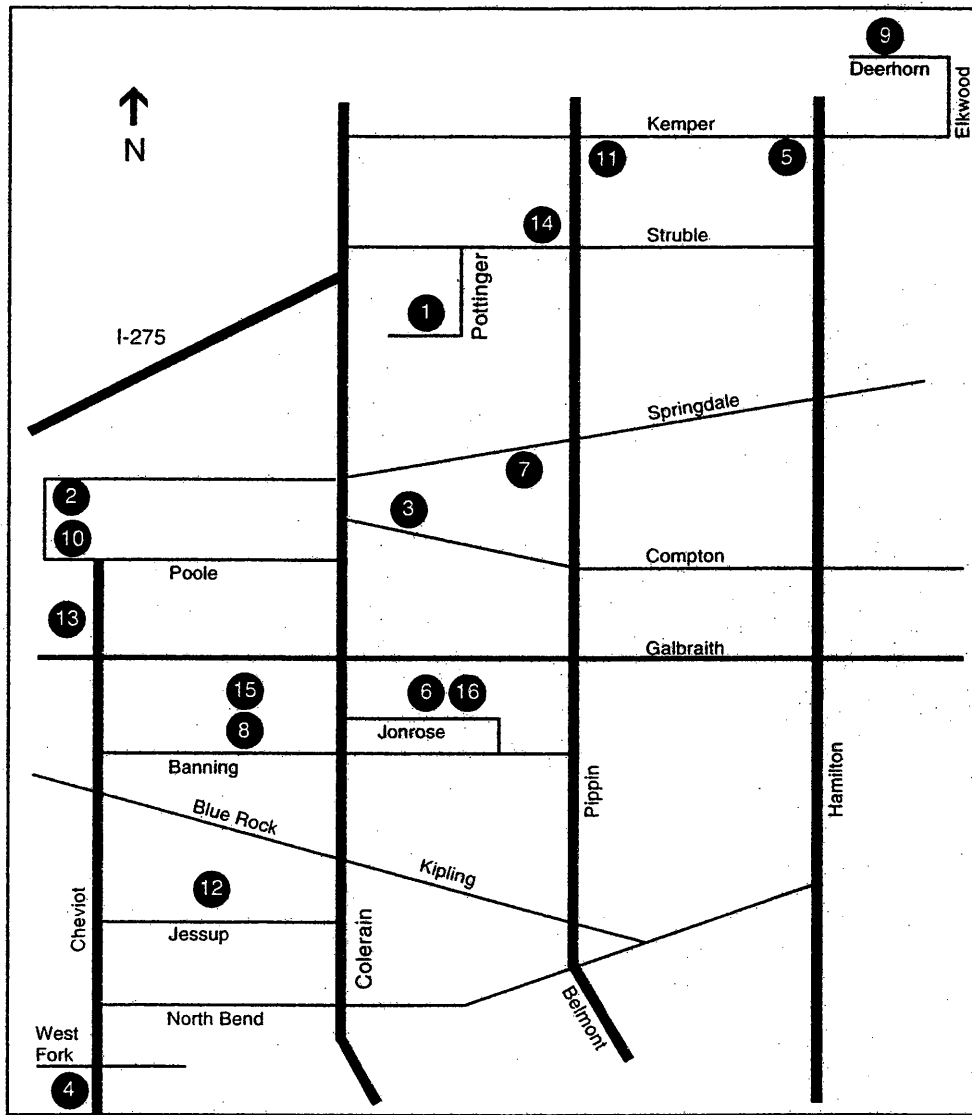
| | |
|-----------------------------|---------------------------------|
| Chester Dowers | Maintenance |
| Robert Engel | Transportation |
| Renita Heideman | Technology |
| Tina Lefkoff | Special Education |
| Mary Jo Pfaffinger | Systems Manager/Data Processing |
| Cheryl Chancey Romans | Food Service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

CURRICULUM COORDINATORS

| | |
|---------------------------------|----------------------|
| Diane Adams | Social Studies |
| Joyce Atchison..... | Career and Technical |
| Patricia Coon-Knochermann | Language Arts |
| Lynda Fritz..... | Health Services |
| Cheryl Gabe | Public Relations |
| Michelle Greggs | Gifted |
| (Vacant) | Science |
| Hugh Schaffer | Audio Visual |
| Joan Farabee | Elementary |
| (Vacant) | Math |

**NORTHWEST LOCAL SCHOOL DISTRICT
ORGANIZATIONAL CHART AS OF JUNE 30, 2002**





Northwest Directory

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

CONSULTANTS AND ADVISORS
As of June 30, 2002

ASBESTOS

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

ARCHITECTS

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

BOND COUNSEL

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

FINANCIAL REPORTING

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

INDEPENDENT AUDITOR

*Jim Petro
Auditor of State
250 West Court Street
Suite 150E
Cincinnati, Ohio 45202*

LEGAL COUNSEL

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

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

(continued)

CONSULTANTS AND ADVISORS
As of June 30, 2002 (concluded)

OFFICIAL DEPOSITORIES

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

*PNC Bank
6015 Colerain Avenue
Cincinnati, Ohio 45239*

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

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

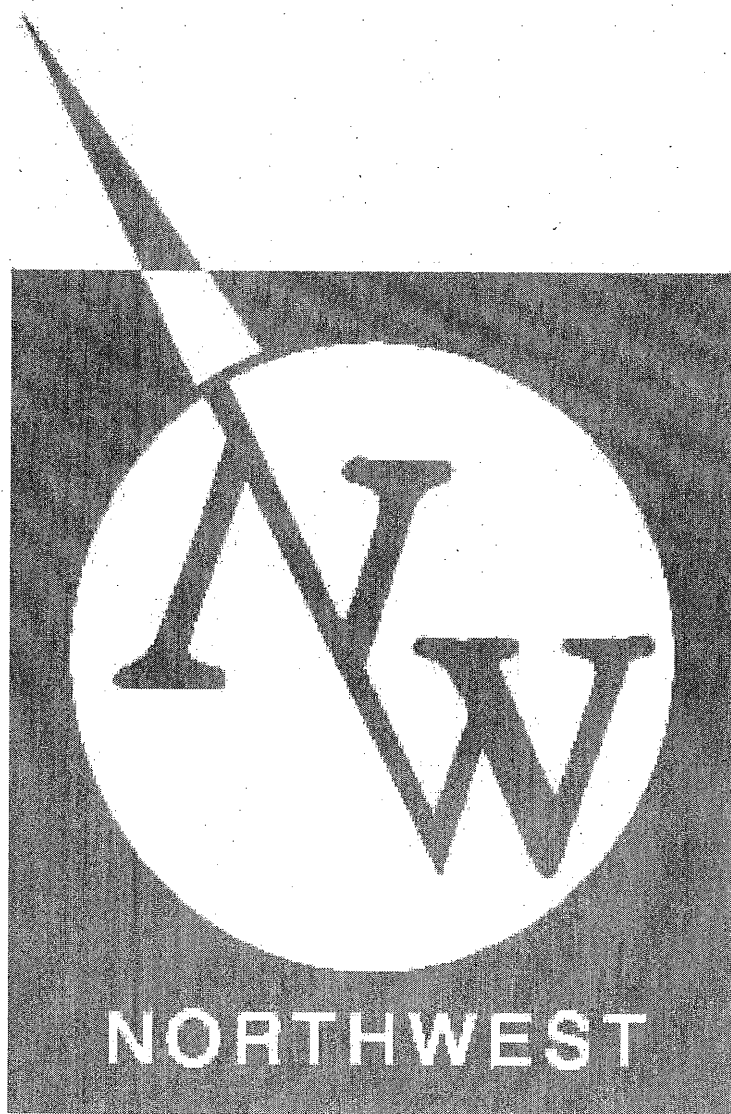
PROFESSIONAL NEGOTIATORS

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

WORKERS' COMPENSATION

*Gates-McDonald
P.O. Box 1944
Columbus, Ohio 43216*

**Financial
Section**



**Northwest Local
School District**



**Auditor of State
Betty Montgomery**

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Northwest Local School District, Hamilton County, Ohio (the District), as of June 30, 2002, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note C, during the year ended June 30, 2002, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*, Governmental Accounting Standards Board Statement No. 37, *Basic Financial Statements for State and Local Governments: Omnibus*, Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*, and Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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



Betty Montgomery
Auditor of State

January 21, 2003

NORTHWEST LOCAL SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Year Ended June 30, 2002 (Unaudited)

The discussion and analysis of Northwest Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Board has elected to exclude the information in this report. Subsequent reports will include the comparative information.

Financial Highlights

Key financial highlights for 2002 are as follows:

- In total, net assets increased \$1.55 million. Net assets of governmental activities increased \$1.48 million which represents a seven and six-tenths percent (7.6%) increase from 2001. Net assets of business-type activities increased \$.08 million or fourteen and one-tenth percent (14.1%) from 2001.
- General revenues accounted for \$72.18 million in revenue or ninety and eight-tenths percent (90.8%) of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7.36 million or nine and two-tenths percent (9.2%) of total revenues of \$79.54 million.
- Total assets of governmental activities decreased by \$2.24 million as taxes receivable decreased by \$3.17 million while cash and other receivables increased by \$.99 million.
- The District had \$78.05 million in expenses related to governmental activities; only \$7.36 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$72.17 million were adequate to provide for these programs.
- As the major fund, the General Fund had \$71.96 million in revenues and \$71.50 million in expenditures. The General Fund's fund balance increased from \$16.10 to \$16.59 million.

**NORTHWEST LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)
For the Fiscal Year Ended June 30, 2002
(Unaudited)**

- Net assets for Enterprise Funds increased slightly. This increase resulted from operating income of \$2.62 million and grants of \$.96 million exceeding operating expenses of \$3.50 million.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statements of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund is the major fund of the District.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2002?" The *Statement of Net Assets* and the *Statement of Activities* answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**NORTHWEST LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)
For the Fiscal Year Ended June 30, 2002
(Unaudited)**

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

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

**NORTHWEST LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)
For the Fiscal Year Ended June 30, 2002
(Unaudited)**

The District as a Whole

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

Table 1 provides a summary of the District's net assets for 2001 compared to 2002:

(Table 1)
Net Assets

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|---------------------|---------------------------------|------------------|---------------------|---------------------|
| | <u>2001</u> | <u>2002</u> | <u>2001</u> | <u>2002</u> | <u>2001</u> | <u>2002</u> |
| Assets | | | | | | |
| Current and Other Assets | \$54,933,130 | \$52,664,933 | \$844,295 | \$955,830 | \$55,777,425 | \$53,620,763 |
| Capital Assets | <u>28,226,317</u> | <u>28,258,058</u> | <u>40,461</u> | <u>38,838</u> | <u>28,266,778</u> | <u>28,296,896</u> |
| Total Assets | <u>83,159,447</u> | <u>80,922,991</u> | <u>884,756</u> | <u>994,668</u> | <u>84,044,203</u> | <u>81,917,659</u> |
| Liabilities | | | | | | |
| Long-Term Liabilities | 29,092,314 | 28,304,458 | 88,148 | 94,171 | 29,180,462 | 28,398,629 |
| Other Liabilities | <u>34,670,519</u> | <u>31,744,475</u> | <u>253,372</u> | <u>280,993</u> | <u>34,923,891</u> | <u>32,025,468</u> |
| Total Liabilities | <u>63,762,833</u> | <u>60,048,933</u> | <u>341,520</u> | <u>375,164</u> | <u>64,104,353</u> | <u>60,424,097</u> |
| Net Assets | | | | | | |
| Invested in Capital | | | | | | |
| Assets Net of Debt | 4,026,317 | 4,468,058 | 40,461 | 38,838 | 4,066,778 | 4,506,896 |
| Restricted | 3,066,657 | 3,148,603 | 0 | 0 | 3,066,657 | 3,148,603 |
| Unrestricted | <u>12,303,640</u> | <u>13,257,397</u> | <u>502,775</u> | <u>580,666</u> | <u>12,806,415</u> | <u>13,838,063</u> |
| Total Net Assets | <u>\$19,396,614</u> | <u>\$20,874,058</u> | <u>\$543,236</u> | <u>\$619,504</u> | <u>\$19,939,850</u> | <u>\$21,493,562</u> |

Total assets decreased \$2.13 million. Equity in pooled cash and cash equivalents increased \$.98 million. Taxes receivable decreased \$2.24 million. Total liabilities increased \$3.68 million, resulting in a net asset increase of \$1.55 million.

The net assets of the District business-type activities increased by \$.08 million. Since the increase was slight, management has reviewed and, where feasible, increased fees. Food service pricing was increased an average of five percent (5%) in September, 2002. This action should ensure that business-type activities remain self-supporting.

Table 2 shows the change in net assets for fiscal year 2002. Since this is the first year the District has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 2001 are not available.

**NORTHWEST LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)
For the Fiscal Year Ended June 30, 2002
(Unaudited)**

Table 2
Changes in Net Assets

| | Governmental Activities <u>2002</u> | Business-Type Activities <u>2002</u> | Total <u>2002</u> |
|-------------------------------|-------------------------------------------|--------------------------------------------|----------------------|
| Revenues | | | |
| Program Revenues: | | | |
| Charges for Services | \$1,908,466 | \$2,616,605 | \$4,525,071 |
| Operating Grants | 5,094,519 | 952,045 | 6,046,564 |
| Capital Grants | 360,516 | 0 | 360,516 |
| General Revenue: | | | |
| Property Taxes | 39,197,785 | 0 | 39,197,785 |
| Grants and Entitlements | 30,986,081 | 0 | 30,986,081 |
| Other | <u>1,987,138</u> | <u>6,480</u> | <u>1,993,618</u> |
| Total Revenues | <u>79,534,505</u> | <u>3,575,130</u> | <u>83,109,635</u> |
| Program Expenses: | | | |
| Instruction | 43,961,196 | 0 | 43,961,196 |
| Support Services: | | | |
| Pupil and Instructional Staff | 8,790,615 | 0 | 8,790,615 |
| Board, Administrative, Fiscal | | | |
| and Business | 7,022,823 | 0 | 7,022,823 |
| Operations and Maintenance | 8,058,321 | 0 | 8,058,321 |
| Pupil Transportation | 3,567,960 | 0 | 3,567,960 |
| Central | 1,342,996 | 0 | 1,342,996 |
| Community Services | 2,679,136 | 0 | 2,679,136 |
| Extracurricular Activities | 1,405,292 | 0 | 1,405,292 |
| Interest and Fiscal Charges | 1,228,722 | 0 | 1,228,722 |
| Food Service | 0 | 2,958,057 | 2,958,057 |
| Uniform School Supply | 0 | 529,773 | 529,773 |
| Customer Service | <u>0</u> | <u>11,032</u> | <u>11,032</u> |
| Total Expenses | <u>78,057,061</u> | <u>3,498,862</u> | <u>81,555,923</u> |
| Increase in Net Assets | <u>\$1,477,444</u> | <u>\$76,268</u> | <u>\$1,553,712</u> |

Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised eighty-eight percent (88%) of the District's revenues for governmental activities.

**NORTHWEST LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)
For the Fiscal Year Ended June 30, 2002
(Unaudited)**

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up forty-nine percent (49%) of revenue for governmental activities for the District in fiscal year 2002.

Instruction comprises fifty-six percent (56%) of governmental program expenses. Support services expenses were thirty-seven percent (37%) of governmental program expenses. Interest expense was one and six-tenths percent (1.6%). Interest expense was attributable to the outstanding bond and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons to 2001 have not been made since they are not available.

Table 3
Governmental Activities

| | Total Cost of Services <u>2002</u> | Net Cost of Services <u>2002</u> |
|-----------------------------------------------|------------------------------------------|----------------------------------------|
| Instruction | \$43,961,196 | \$41,629,156 |
| Support Services: | | |
| Pupil and Instructional Staff | 8,790,615 | 7,620,172 |
| Board, Administration, Fiscal and Business | 7,022,823 | 6,780,117 |
| Operations and Maintenance | 8,058,321 | 7,790,669 |
| Pupil Transportation | 3,567,960 | 3,463,160 |
| Central | 1,342,996 | 1,265,066 |
| Community Services | 2,679,136 | 157,252 |
| Extracurricular Activities | 1,405,292 | 759,246 |
| Interest and Fiscal Charges | <u>1,228,722</u> | <u>1,228,722</u> |
| Total Expenses | <u>\$78,057,061</u> | <u>\$70,693,560</u> |

**NORTHWEST LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)
For the Fiscal Year Ended June 30, 2002
(Unaudited)**

Business-Type Activities

Business-type activities, include the food service operation, the sale of uniform school supplies and custom service supplies. These programs had revenues of \$3.57 million and expenses of \$3.50 million for fiscal year 2002. As discussed earlier, management has reviewed these programs and food service fees were increased about five percent (5%) in August, 2002. Business activities receive no support from tax revenues.

The District's Funds

Information about the District's major funds start on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$79,246,314 and expenditures and other financing uses of \$79,105,835. The net change in fund balance for the year was \$140,479, only seven-tenths of one percent (.7%).

General Fund Budgeting Highlights

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

During the course of fiscal 2002, the District amended its general fund budget numerous times, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, budget basis revenue was \$71.12 million, above original budget estimates of \$70.99 million. Of this \$.13 million difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District's ending unobligated cash balance was \$2.11 million above the final budgeted amount.

**NORTHWEST LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)
For the Fiscal Year Ended June 30, 2002
(Unaudited)**

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2002, the District had \$28.3 million invested in land, buildings, equipment and vehicles. Table 4 shows fiscal 2002 balances compared to fiscal 2001:

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|----------------------------|--------------------------------|---------------------|---------------------------------|-----------------|---------------------|---------------------|
| | <u>2001</u> | <u>2002</u> | <u>2001</u> | <u>2002</u> | <u>2001</u> | <u>2002</u> |
| Land and Improvements | \$3,552,125 | \$3,552,125 | \$0 | \$0 | \$3,552,125 | \$3,552,125 |
| Buildings and Improvements | 22,698,449 | 22,262,268 | 0 | 0 | 22,698,449 | 22,262,268 |
| Furniture and Equipment | 467,192 | 763,110 | 40,461 | 38,838 | 507,653 | 801,948 |
| Vehicles | <u>1,508,550</u> | <u>1,680,555</u> | <u>0</u> | <u>0</u> | <u>1,508,550</u> | <u>1,680,555</u> |
| Total Net Assets | <u>\$28,226,316</u> | <u>\$28,258,058</u> | <u>\$40,461</u> | <u>\$38,838</u> | <u>\$28,266,777</u> | <u>\$28,296,896</u> |

The increase in capital assets is due to \$.95 million in acquisitions, offset by the recognition of \$.50 million in depreciation expense and retirement of \$.42 million in assets, net of depreciation. This District continues its ongoing commitment to maintaining and improving its capital assets.

Debt

At June 30, 2002, the District had \$23,790,000 in bonds outstanding, \$450,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

| | <u>Governmental Activities 2002</u> | <u>Governmental Activities 2001</u> |
|---------------------------|---------------------------------------------|---------------------------------------------|
| Total: | | |
| General Obligation Bonds: | | |
| 1998 School Improvement | <u>\$23,790,000</u> | <u>\$24,200,000</u> |

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

**NORTHWEST LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)
For the Fiscal Year Ended June 30, 2002
(Unaudited)**

At June 30, 2002, the District's overall legal debt margin was \$123,486,468 with an unvoted debt margin of \$1,372,072. The District maintains an A-1 bond rating.

For the Future

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

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

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

The District has committed itself to financial excellence for many years. The District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1993 and the GFOA Budget Award since 1993. This report represents the first report using this new financial reporting model.

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

Contacting the District's Financial Management

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

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Northwest Local School District
Statement of Net Assets
June 30, 2002

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------------|----------------------------|-----------------------------|---------------------|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$17,265,908 | \$693,011 | \$17,958,919 |
| Cash with Fiscal and Escrow Agents | 187,259 | 0 | 187,259 |
| Receivables: | | | |
| Taxes | 34,812,561 | 0 | 34,812,561 |
| Accounts | 88,633 | 17,571 | 106,204 |
| Interest | 24,444 | 0 | 24,444 |
| Intergovernmental | 286,128 | 173,488 | 459,616 |
| Inventory | 0 | 71,760 | 71,760 |
| Nondepreciable Capital Assets | 3,552,125 | 0 | 3,552,125 |
| Depreciable Capital Assets, Net | 24,705,933 | 38,838 | 24,744,771 |
| Total Assets | 80,922,991 | 994,668 | 81,917,659 |
| Liabilities: | | | |
| Accounts Payable | 227,734 | 7,123 | 234,857 |
| Accrued Wages and Benefits | 7,253,996 | 262,915 | 7,516,911 |
| Arbitrage Rebate Payable | 187,259 | 0 | 187,259 |
| Accrued Interest Payable | 101,804 | 0 | 101,804 |
| Deferred Revenue | 23,973,682 | 10,955 | 23,984,637 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 1,841,918 | 27,407 | 1,869,325 |
| Due In More Than One Year | 26,462,540 | 66,764 | 26,529,304 |
| Total Liabilities | 60,048,933 | 375,164 | 60,424,097 |
| Net Assets: | | | |
| Invested in Capital Assets | 4,468,058 | 38,838 | 4,506,896 |
| Restricted for: | | | |
| Special Revenue | 744,434 | 0 | 744,434 |
| Debt Service | 1,745,875 | 0 | 1,745,875 |
| Capital Projects | 658,294 | 0 | 658,294 |
| Unrestricted | 13,257,397 | 580,666 | 13,838,063 |
| Total Net Assets | \$20,874,058 | \$619,504 | \$21,493,562 |

See accompanying notes.

Northwest Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

| | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|-----------------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| Instruction: | | | | |
| Regular | \$34,805,741 | \$756,573 | \$503,772 | \$52,500 |
| Special | 7,141,159 | 198,399 | 789,428 | 0 |
| Vocational | 2,014,296 | 0 | 31,368 | 0 |
| Support Services: | | | | |
| Pupil | 4,087,427 | 0 | 386,357 | 0 |
| Instructional Staff | 4,703,188 | 0 | 781,686 | 2,400 |
| General Administration | 87,785 | 0 | 0 | 0 |
| School Administration | 5,090,831 | 0 | 230,481 | 0 |
| Fiscal | 1,311,298 | 0 | 12,225 | 0 |
| Business | 532,909 | 0 | 0 | 0 |
| Operations and Maintenance | 8,058,321 | 66,836 | 0 | 200,816 |
| Pupil Transportation | 3,567,960 | 0 | 0 | 104,800 |
| Central | 1,342,996 | 0 | 77,930 | 0 |
| Community Services | 2,679,136 | 240,612 | 2,281,272 | 0 |
| Extracurricular Activities | 1,405,292 | 646,046 | 0 | 0 |
| Interest and Fiscal Charges | 1,228,722 | 0 | 0 | 0 |
| Total Governmental Activities | 78,057,061 | 1,908,466 | 5,094,519 | 360,516 |
| Business-Type Activities: | | | | |
| Food Service | 2,958,057 | 2,081,167 | 952,045 | 0 |
| Uniform School Supply | 529,773 | 525,999 | 0 | 0 |
| Customer Service | 11,032 | 9,439 | 0 | 0 |
| Total Business-Type Activities | 3,498,862 | 2,616,605 | 952,045 | 0 |
| Totals | \$81,555,923 | \$4,525,071 | \$6,046,564 | \$360,516 |

General Revenues:
Property Taxes Levied for:
 General Purposes
 Debt Service
Grants and Entitlements not Restricted to Specific Programs
Payment in Lieu of Taxes
Unrestricted Contributions
Earnings on Investments
Other Revenues

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes.

| Net (Expense) Revenue and Changes in Net Assets | | |
|----------------------------------------------------|-----------------------------|----------------|
| Governmental Activities | Business-Type Activities | Total |
| (\$33,492,896) | \$0 | (\$33,492,896) |
| (6,153,332) | 0 | (6,153,332) |
| (1,982,928) | 0 | (1,982,928) |
| (3,701,070) | 0 | (3,701,070) |
| (3,919,102) | 0 | (3,919,102) |
| (87,785) | 0 | (87,785) |
| (4,860,350) | 0 | (4,860,350) |
| (1,299,073) | 0 | (1,299,073) |
| (532,909) | 0 | (532,909) |
| (7,790,669) | 0 | (7,790,669) |
| (3,463,160) | 0 | (3,463,160) |
| (1,265,066) | 0 | (1,265,066) |
| (157,252) | 0 | (157,252) |
| (759,246) | 0 | (759,246) |
| (1,228,722) | 0 | (1,228,722) |
| (70,693,560) | 0 | (70,693,560) |
| 0 | 75,155 | 75,155 |
| 0 | (3,774) | (3,774) |
| 0 | (1,593) | (1,593) |
| 0 | 69,788 | 69,788 |
| (\$70,693,560) | \$69,788 | (\$70,623,772) |
| 37,617,518 | 0 | 37,617,518 |
| 1,580,267 | 0 | 1,580,267 |
| 30,986,081 | 0 | 30,986,081 |
| 940,478 | 0 | 940,478 |
| 218,261 | 0 | 218,261 |
| 627,818 | 6,480 | 634,298 |
| 200,581 | 0 | 200,581 |
| 72,171,004 | 6,480 | 72,177,484 |
| 1,477,444 | 76,268 | 1,553,712 |
| 19,396,614 | 543,236 | 19,939,850 |
| \$20,874,058 | \$619,504 | \$21,493,562 |

Northwest Local School District
Balance Sheet
Governmental Funds
June 30, 2002

| | General | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------|---------------------|--------------------------------|--------------------------------|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$14,395,912 | \$2,869,996 | \$17,265,908 |
| Cash with Fiscal and Escrow Agents | 187,259 | 0 | 187,259 |
| Receivables: | | | |
| Taxes | 33,521,054 | 1,291,507 | 34,812,561 |
| Accounts | 88,633 | 0 | 88,633 |
| Interest | 24,444 | 0 | 24,444 |
| Intergovernmental | 22,908 | 263,220 | 286,128 |
| Interfund | 3,429 | 0 | 3,429 |
| Total Assets | \$48,243,639 | \$4,424,723 | \$52,668,362 |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts Payable | \$168,096 | \$59,638 | \$227,734 |
| Accrued Wages and Benefits | 6,369,980 | 189,970 | 6,559,950 |
| Compensated Absences | 888,594 | 0 | 888,594 |
| Arbitrage Rebate Payable | 187,259 | 0 | 187,259 |
| Interfund Payable | 0 | 3,429 | 3,429 |
| Deferred Revenue | 24,044,054 | 1,088,884 | 25,132,938 |
| Total Liabilities | 31,657,983 | 1,341,921 | 32,999,904 |
| Fund Balances: | | | |
| Reserved for Encumbrances | 1,411,628 | 89,128 | 1,500,756 |
| Reserved for Property Tax Advances | 9,477,000 | 421,400 | 9,898,400 |
| Unreserved, Undesignated, Reported in: | | | |
| General Fund | 5,697,028 | 0 | 5,697,028 |
| Special Revenue Funds | 0 | 706,479 | 706,479 |
| Debt Service Funds | 0 | 1,207,501 | 1,207,501 |
| Capital Projects Funds | 0 | 658,294 | 658,294 |
| Total Fund Balances | 16,585,656 | 3,082,802 | 19,668,458 |
| Total Liabilities and Fund Balances | \$48,243,639 | \$4,424,723 | \$52,668,362 |

See accompanying notes.

Northwest Local School District
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2002

| | |
|---------------------------------|--------------|
| Total Governmental Fund Balance | \$19,668,458 |
|---------------------------------|--------------|

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

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

| | | |
|----------------------------|--------------|------------|
| Land and Improvements | 3,552,125 | |
| Buildings and Improvements | 48,328,949 | |
| Furniture and Equipment | 4,545,564 | |
| Vehicles | 4,984,122 | |
| Accumulated Depreciation | (33,152,702) | |
| Total Capital Assets | 28,258,058 | 28,258,058 |

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

| | | |
|-------------------------------|-----------|-----------|
| Payments in lieu of Taxes | 940,478 | |
| Intergovernmental Receivables | 218,778 | |
| Total Long-term Assets | 1,159,256 | 1,159,256 |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| In the statement of net assets, interest is accrued, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources. | (101,804) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

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

| | | |
|-----------------------------|-------------|-------------|
| Compensated Absences | (3,625,864) | |
| Accrued Benefits | (694,046) | |
| Total Long-term Liabilities | (4,319,910) | (4,319,910) |

| | |
|-------------------------------------------------------------------------------------------------------------------|--------------|
| Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds. | (23,790,000) |
|-------------------------------------------------------------------------------------------------------------------|--------------|

| | |
|---------------------------------------|--------------|
| Net Assets of Governmental Activities | \$20,874,058 |
|---------------------------------------|--------------|

See accompanying notes.

Northwest Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

| | General | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------|---------------------|--------------------------------|--------------------------------|
| Revenues: | | | |
| Taxes | \$37,617,518 | \$1,580,267 | \$39,197,785 |
| Revenue in lieu of taxes | 837,851 | 0 | 837,851 |
| Tuition | 1,004,932 | 0 | 1,004,932 |
| Earnings on Investments | 619,818 | 8,000 | 627,818 |
| Intergovernmental | 31,082,398 | 5,139,796 | 36,222,194 |
| Extracurricular Activities | 0 | 535,428 | 535,428 |
| Other Revenues | 796,640 | 0 | 796,640 |
| Total Revenues | 71,959,157 | 7,263,491 | 79,222,648 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 34,477,390 | 609,280 | 35,086,670 |
| Special | 6,436,611 | 774,193 | 7,210,804 |
| Vocational | 2,056,785 | 21,740 | 2,078,525 |
| Support Services: | | | |
| Pupil | 3,783,997 | 339,966 | 4,123,963 |
| Instructional Staff | 3,864,448 | 792,065 | 4,656,513 |
| General Administration | 87,785 | 0 | 87,785 |
| School Administration | 4,921,046 | 232,667 | 5,153,713 |
| Fiscal | 1,267,825 | 24,827 | 1,292,652 |
| Business | 596,498 | 0 | 596,498 |
| Operations and Maintenance | 7,675,041 | 205,678 | 7,880,719 |
| Pupil Transportation | 3,916,466 | 0 | 3,916,466 |
| Central | 1,244,867 | 92,572 | 1,337,439 |
| Community Services | 337,274 | 2,330,357 | 2,667,631 |
| Extracurricular Activities | 830,573 | 541,631 | 1,372,204 |
| Capital Outlay | 4,120 | 0 | 4,120 |
| Debt Service: | | | |
| Principal Retirement | 0 | 410,000 | 410,000 |
| Interest and Fiscal Charges | 0 | 1,230,133 | 1,230,133 |
| Total Expenditures | 71,500,726 | 7,605,109 | 79,105,835 |
| Excess of Revenues Over (Under) Expenditures | 458,431 | (341,618) | 116,813 |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Fixed Assets | 23,666 | 0 | 23,666 |
| Total Other Financing Sources (Uses) | 23,666 | 0 | 23,666 |
| Net Change in Fund Balances | 482,097 | (341,618) | 140,479 |
| Fund Balances Beginning of Year (restated) | 16,103,559 | 3,424,420 | 19,527,979 |
| Fund Balances End of Year | \$16,585,656 | \$3,082,802 | \$19,668,458 |

See accompanying notes.

Northwest Local School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2002

Net Change in Fund Balance - Total Governmental Funds \$140,479

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 outlay exceeded depreciation in the current period.

| | | |
|-----------------------|------------------|--------|
| Fixed Asset Additions | 939,078 | |
| Depreciation Expense | <u>(874,122)</u> | |
| Total | | 64,956 |

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. The amount of the proceeds must be removed and the deduction for the loss on the disposal of capital assets must also be recognized. (33,214)

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

| | |
|--------------------------|---------|
| Revenue In-Lieu of Taxes | 321,405 |
|--------------------------|---------|

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | 410,000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

| | |
|-----------------------------------------------------------------------------------------------------------------------------------|-------|
| In the statement of activities, interest is accrued, whereas in governmental funds, an interest expenditure is reported when due. | 1,414 |
|-----------------------------------------------------------------------------------------------------------------------------------|-------|

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

| | | |
|----------------------------|----------------|---------|
| Accrued Wages and Benefits | 469,018 | |
| Compensated Absences | <u>103,386</u> | |
| Total | | 572,404 |

| | |
|-------------------------------------------------|---------------------------|
| Change in Net Assets of Governmental Activities | <u><u>\$1,477,444</u></u> |
|-------------------------------------------------|---------------------------|

See accompanying notes.

Northwest Local School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------------------|---------------------|---------------------|---------------------|---------------------------------------------------------|
| Revenues: | | | | |
| Taxes | \$36,933,139 | \$36,985,980 | \$36,998,585 | \$12,605 |
| Revenue in lieu of taxes | 836,369 | 783,735 | 837,851 | 54,116 |
| Tuition and Fees | 963,837 | 965,000 | 965,545 | 545 |
| Interest | 700,173 | 750,000 | 701,414 | (48,586) |
| Intergovernmental | 31,025,300 | 30,763,455 | 31,080,277 | 316,822 |
| Other Revenues | 531,934 | 530,000 | 532,877 | 2,877 |
| Total Revenues | 70,990,752 | 70,778,170 | 71,116,549 | 338,379 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 34,920,781 | 34,476,031 | 33,869,963 | 606,068 |
| Special | 6,184,305 | 6,331,000 | 6,273,824 | 57,176 |
| Vocational | 2,210,398 | 2,111,438 | 2,044,437 | 67,001 |
| Support Services: | | | | |
| Pupil | 3,802,304 | 3,829,369 | 3,575,997 | 253,372 |
| Instructional Staff | 3,755,375 | 3,885,975 | 3,809,090 | 76,885 |
| General Administration | 144,195 | 144,195 | 87,920 | 56,275 |
| School Administration | 5,102,733 | 4,980,113 | 4,900,320 | 79,793 |
| Fiscal | 1,217,400 | 1,283,300 | 1,272,709 | 10,591 |
| Business | 519,395 | 525,395 | 520,510 | 4,885 |
| Operations and Maintenance | 8,769,332 | 8,904,917 | 8,605,144 | 299,773 |
| Pupil Transportation | 4,034,328 | 4,093,993 | 4,016,307 | 77,686 |
| Central | 1,272,390 | 1,401,000 | 1,246,031 | 154,969 |
| Community Services | 295,445 | 291,400 | 284,755 | 6,645 |
| Extracurricular Activities | 891,650 | 861,905 | 836,875 | 25,030 |
| Capital Outlay | 250,000 | 250,000 | 249,847 | 153 |
| Total Expenditures | 73,370,031 | 73,370,031 | 71,593,729 | 1,776,302 |
| Excess of Revenues Over (Under) Expenditures | (2,379,279) | (2,591,861) | (477,180) | 2,114,681 |
| Other financing sources (uses): | | | | |
| Proceeds from Sale of Fixed Assets | 23,623 | 25,000 | 23,666 | (1,334) |
| Total Other Financing Sources (Uses) | 23,623 | 25,000 | 23,666 | (1,334) |
| Net Change in Fund Balance | (2,355,656) | (2,566,861) | (453,514) | 2,113,347 |
| Fund Balance Beginning of Year | 12,124,957 | 12,124,957 | 12,124,957 | 0 |
| Prior year encumbrances appropriated | 946,030 | 946,030 | 946,030 | 0 |
| Fund Balance End of Year | \$10,715,331 | \$10,504,126 | \$12,617,473 | \$2,113,347 |

See accompanying notes.

Northwest Local School District
Statement of Net Assets
Proprietary Funds
June 30, 2002

| | Business-Type Activities -Enterprise Funds | | | |
|---------------------------------------|--------------------------------------------|-----------------------|------------------|-----------|
| | Food Service | Uniform School Supply | Customer Service | Total |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$351,440 | \$335,410 | \$6,161 | \$693,011 |
| Receivables: | | | | |
| Accounts | 2,482 | 15,089 | 0 | 17,571 |
| Intergovernmental | 173,488 | 0 | 0 | 173,488 |
| Inventory | 71,760 | 0 | 0 | 71,760 |
| Total Current Assets | 599,170 | 350,499 | 6,161 | 955,830 |
| Depreciable Capital Assets, Net | 38,838 | 0 | 0 | 38,838 |
| Total Assets | 638,008 | 350,499 | 6,161 | 994,668 |
| Current Liabilities: | | | | |
| Accounts Payable | 4,203 | 1,072 | 1,848 | 7,123 |
| Accrued Wages and Benefits | 262,915 | 0 | 0 | 262,915 |
| Compensated Absences | 27,407 | 0 | 0 | 27,407 |
| Deferred Revenue | 10,955 | 0 | 0 | 10,955 |
| Total Current Liabilities | 305,480 | 1,072 | 1,848 | 308,400 |
| Long-Term Liabilities: | | | | |
| Compensated Absences | 66,764 | 0 | 0 | 66,764 |
| Total Liabilities | 372,244 | 1,072 | 1,848 | 375,164 |
| Net Assets: | | | | |
| Invested in Capital Assets | 38,838 | 0 | 0 | 38,838 |
| Unrestricted | 226,926 | 349,427 | 4,313 | 580,666 |
| Total Net Assets | \$265,764 | \$349,427 | \$4,313 | \$619,504 |

See accompanying notes.

Northwest Local School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2002

| | Business-Type Activities -Enterprise Funds | | | |
|------------------------------------------------|--------------------------------------------|-----------------------------|---------------------|------------------|
| | Food Service | Uniform School Supply | Customer Service | Total |
| Operating Revenues: | | | | |
| Fees | \$0 | \$525,999 | \$0 | \$525,999 |
| Charges for Services | 2,081,167 | 0 | 9,439 | 2,090,606 |
| Total Operating Revenues | 2,081,167 | 525,999 | 9,439 | 2,616,605 |
| Operating Expenses: | | | | |
| Personal Services | 1,675,737 | 0 | 0 | 1,675,737 |
| Contactual Services | 33,623 | 0 | 0 | 33,623 |
| Materials and Supplies | 1,233,639 | 529,773 | 11,032 | 1,774,444 |
| Depreciation | 15,058 | 0 | 0 | 15,058 |
| Total Operating Expenses | 2,958,057 | 529,773 | 11,032 | 3,498,862 |
| Operating Loss | (876,890) | (3,774) | (1,593) | (882,257) |
| Non-Operating Revenues (Expenses): | | | | |
| Earnings on Investments | 6,480 | 0 | 0 | 6,480 |
| Donated Commodities | 137,525 | 0 | 0 | 137,525 |
| Operating Grants | 814,520 | 0 | 0 | 814,520 |
| Total Non-Operating Revenues (Expenses) | 958,525 | 0 | 0 | 958,525 |
| Change in Net Assets | 81,635 | (3,774) | (1,593) | 76,268 |
| Net Assets Beginning of Year (restated) | 184,129 | 353,201 | 5,906 | 543,236 |
| Net Assets End of Year | \$265,764 | \$349,427 | \$4,313 | \$619,504 |

See accompanying notes.

Northwest Local School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2002

| | Business-Type Activities -Enterprise Funds | | | |
|-----------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------|------------------|-------------|
| | Food Service | Uniform School Supply | Customer Service | Total |
| Cash Flows from Operating Activities: | | | | |
| Cash Received from Customers | \$2,079,410 | \$521,716 | \$9,439 | \$2,610,565 |
| Cash Payments to Employees | (1,629,914) | 0 | 0 | (1,629,914) |
| Cash Payments to Suppliers | (1,156,408) | (528,701) | (9,184) | (1,694,293) |
| Net Cash Provided (Used) by Operating Activities | (706,912) | (6,985) | 255 | (713,642) |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Operating Grants Received | 730,874 | 0 | 0 | 730,874 |
| Net Cash Provided by Noncapital Financing Activities | 730,874 | 0 | 0 | 730,874 |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Payments for Capital Acquisitions | (13,435) | 0 | 0 | (13,435) |
| Net Cash Used by Capital and Related Financing Activities | (13,435) | 0 | 0 | (13,435) |
| Cash Flows from Investing Activities: | | | | |
| Earnings on Investments | 6,689 | 0 | 0 | 6,689 |
| Net Cash Provided by Cash Flows from Investing Activities | 6,689 | 0 | 0 | 6,689 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 17,216 | (6,985) | 255 | 10,486 |
| Cash and Cash Equivalents Beginning of Year | 334,224 | 342,395 | 5,906 | 682,525 |
| Cash and Cash Equivalents End of Year | \$351,440 | \$335,410 | \$6,161 | \$693,011 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating Loss | (\$876,890) | (\$3,774) | (\$1,593) | (\$882,257) |
| Adjustments: | | | | |
| Depreciation | 15,058 | 0 | 0 | 15,058 |
| Donated Commodities | 137,525 | 0 | 0 | 137,525 |
| Changes in Assets & Liabilities: | | | | |
| (Increase) Decrease in Receivables | (1,757) | (4,283) | 0 | (6,040) |
| (Increase) Decrease in Inventory | (11,572) | 0 | 0 | (11,572) |
| Increase (Decrease) in Payables | 1,788 | 1,072 | 1,848 | 4,708 |
| Increase (Decrease) in Accrued Liabilities | 45,823 | 0 | 0 | 45,823 |
| Increase (Decrease) in Deferred Revenue | (16,887) | 0 | 0 | (16,887) |
| Net Cash Provided (Used) by Operating Activities | (706,912) | (6,985) | \$255 | (\$713,642) |

Schedule of Noncash Capital Activities:

During the fiscal year, the Food Service Fund received contributed food commodities valued at \$137,525

See accompanying notes.

Northwest Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2002

| | <u>Agency</u> |
|---------------------------------------|------------------|
| Assets: | |
| Equity in Pooled Cash and Investments | <u>\$158,067</u> |
| Total Assets | <u>158,067</u> |
| Liabilities: | |
| Accounts Payable | 799 |
| Other Liabilities | <u>157,268</u> |
| Total Liabilities | <u>\$158,067</u> |

See accompanying notes.

**NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2002**

NOTE A--DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

DESCRIPTION OF THE DISTRICT

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

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

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

The District currently has 10,504 students enrolled in nine elementary schools, three middle schools, and two senior high schools. The District has two career centers serving junior and senior students. There are 726 certificated employees and 600 non-certificated employees to provide services to the students. The District is the largest local and the 17th largest of all school districts in Ohio.

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

THE REPORTING ENTITY

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

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

The following activities are included within the reporting entity:

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

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. For business-type activities and proprietary funds, the District has elected not to follow subsequent private-sector guidance. The most significant of the District's accounting policies are described below.

FUND ACCOUNTING

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

Governmental Funds

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

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

**NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002**

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

Proprietary Fund

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

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

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

Uniform School Supplies Fund – This fund accounts for the purchase and sale of school supplies for use in the District.

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

Fiduciary Funds

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

MEASUREMENT FOCUS

Government-wide Financial Statements

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

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

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

Fund Financial Statements

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

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

Fiduciary Funds are reported using the economic resources measurement focus.

BASIS OF ACCOUNTING

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

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available for advance, grants and interest.

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to financial fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

CASH AND CASH EQUIVALENTS

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

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2002. STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2A7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to general operating funds during fiscal year 2002 amounted to \$627,818.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

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

INVENTORY

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

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

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

CAPITAL ASSETS

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand five hundred dollars (\$2,500). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

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

COMPENSATED ABSENCES

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

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

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

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

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

| <u>VACATION</u> | <u>CERTIFIED</u> | <u>ADMINISTRATORS</u> | <u>NON-CERTIFICATED</u> |
|-------------------------|------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------|
| How earned | Not eligible | 15-20 days at start of each contract year | 10-20 days for each service year depending on length of service |
| Maximum Accumulation | Not applicable | 50 days | 50 days |
| Termination Entitlement | Not applicable | As earned | As earned |
| <u>SICK LEAVE</u> | <u>CERTIFIED</u> | <u>ADMINISTRATORS</u> | <u>NON-CERTIFICATED</u> |
| How earned | 1.25 days per month of employment (15 days per year) | 1.25 days per month of employment (15 days per year) | 1.25 days per month of employment (15 days per year) |
| Maximum Accumulation | 232 Days | 262 days | 232 to 272 days according to job classification |
| Vested | As earned | As earned | As earned |
| Termination Entitlement | Per contract | Per contract | Per contract |

NET ASSETS

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

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

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

OPERATING REVENUES AND EXPENSES

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

CONTRIBUTIONS OF CAPITAL

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

INTERFUND ACTIVITY

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

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

BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer is authorized to further allocate appropriations to the function and object level for all funds.

Tax Budget

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

Estimated Resources

Prior to April 1, the Board accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board. The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

the most recent certificate of estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from prior years.

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

Encumbrances

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

Lapsing of Appropriations

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

FUND EQUITY

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE C—CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE

CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2002, the District has implemented GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.”

GASB 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the District’s programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the Enterprise Funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2002.

RESTATEMENT OF FUND BALANCE

The implementation of these statements had the following effects on fund balance of the major and non-major funds of the District as they were previously reported. The transition from governmental fund balances to net assets of the governmental activities is also presented.

| | <u>General</u> | <u>Nonmajor</u> | <u>Total</u> |
|---------------------------------------------------|---------------------|--------------------|---------------------|
| Fund Balances, June 30, 2001 | \$15,934,115 | \$3,593,864 | \$19,527,979 |
| Fund Reclassification | <u>169,444</u> | <u>(169,444)</u> | <u>0</u> |
| Adjusted Fund Balances, June 30, 2001 | <u>\$16,103,559</u> | <u>\$3,424,420</u> | <u>19,527,979</u> |
| GASB 34 Adjustments: | | | |
| Capital Assets | | | 28,226,316 |
| Accrued Interest Payable | | | (103,218) |
| Compensated Absences Payable | | | (3,729,250) |
| Deferred Revenue | | | 837,850 |
| Accrued Pension Liability | | | (1,163,063) |
| Long Term Liabilities | | | <u>(24,200,000)</u> |
| Governmental Activities Net Assets, June 30, 2001 | | | <u>\$19,396,614</u> |

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE C—CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE – (continued)

At June 30, 2001, fixed assets were restated in the Enterprise Funds due to a change in the capitalization threshold, from five hundred (\$500) to two thousand five hundred dollars (\$2,500). This restatement had the following effect on fund equity as it was previously reported:

| | <u>Food Service</u> | <u>Uniform School Supply</u> | <u>Customer Service</u> | <u>Total</u> |
|---------------------------------------|-------------------------|--------------------------------------|-----------------------------|------------------|
| Fund Equity June 30, 2001 | \$295,954 | \$353,201 | \$5,906 | \$655,061 |
| Fixed Assets | <u>(111,825)</u> | <u>0</u> | <u>0</u> | <u>(111,825)</u> |
| Adjusted Net Assets, June 30, 2001 | <u>\$184,129</u> | <u>\$353,201</u> | <u>\$5,906</u> | <u>\$543,236</u> |

NOTE D—CASH AND CASH EQUIVALENTS

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

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

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

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE D—CASH AND CASH EQUIVALENTS – (continued)

- (3) Repurchase agreements in the securities enumerated above.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.

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

Deposits – At the year end, the carrying amount of the District's deposits was \$9,310,624. The bank balance of deposits was \$10,116,827 of which \$358,553 was covered by federal depository insurance. The remaining balance of \$9,758,274 was covered by 105% public depository pool, which was collateralized with securities held by the pledging financial institution's trust department but not in the District's name.

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

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE D—CASH AND CASH EQUIVALENTS – (continued)

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

| <u>Description</u> | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> | <u>Carrying Amount/ Fair Value</u> |
|-------------------------|-------------------|-------------------|--------------------|--------------------------------------------|
| Money Market* | \$0 | \$0 | \$0 | \$10,739 |
| Federal Agency Security | 0 | 0 | 3,078,657 | 3,078,657 |
| State Treasury Pool* | <u>0</u> | <u>0</u> | <u>0</u> | <u>5,904,225</u> |
| Total Investments | <u>\$0</u> | <u>\$0</u> | <u>\$3,078,657</u> | <u>\$8,993,621</u> |

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

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

NOTE E—PROPERTY TAXES

Real property taxes collected in 2002 were levied in April on the assessed values as of January 1, 2001, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year. The most recent re-evaluation was completed in January, 1999.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). In 2002, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 2002, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE E—PROPERTY TAXES – (continued)

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2002. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2002, was \$9,477,000 for General Fund and \$421,400 for Debt Service, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2002 operations. The amount available for advance at June 30, 2001 was \$8,639,000 for General Fund and \$368,500 for Debt Service, with a corresponding reserve to fund balance since the Board did not appropriate those receivables for fiscal year 2001 operations.

NOTE F—RECEIVABLES

Receivables at June 30, 2002, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

| | <u>Amounts</u> |
|-----------------------------------------|-----------------------------|
| Governmental Activities | |
| General | \$22,908 |
| Ohio SchoolNet Professional Development | 3,450 |
| Title II Eisenhower | 3,395 |
| Title VIB | 22,545 |
| Vocational Education Perkins | 46,259 |
| Title I | 105,962 |
| Title VI Innovative Projects | 31,362 |
| Drug Free Schools | 20,423 |
| Title VIR | 21,839 |
| Reading Excellence Award | <u>7,985</u> |
| Total Governmental Activities | 286,128 |
| Business-Type Activities | |
| Food Service | <u>173,488</u> |
| Grand Total | <u><u>\$459,616</u></u> |

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE G—CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

| | <u>Balance</u> <u>6/30/01</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>6/30/02</u> |
|----------------------------------------------|----------------------------------|------------------|-------------------|----------------------------------|
| Government Activities | | | | |
| Land and Improvements | \$3,552,125 | \$0 | \$0 | \$3,552,125 |
| Buildings and Improvements | 48,324,829 | 4,120 | 0 | 48,328,949 |
| Furniture and Equipment | 4,055,139 | 502,465 | 12,040 | 4,545,564 |
| Vehicles | <u>4,963,661</u> | <u>432,493</u> | <u>412,032</u> | <u>4,984,122</u> |
| Totals at Historical Cost | <u>\$60,895,754</u> | <u>\$939,078</u> | <u>\$424,072</u> | <u>\$61,410,760</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | \$25,626,380 | \$440,301 | \$0 | \$26,066,681 |
| Furniture and Equipment | 3,587,947 | 206,547 | 12,040 | 3,782,454 |
| Vehicles | <u>3,455,111</u> | <u>227,274</u> | <u>378,818</u> | <u>3,303,567</u> |
| Total Accumulated Depreciation | <u>\$32,669,438</u> | <u>\$874,122</u> | <u>\$390,858</u> | <u>\$33,152,702</u> |
| Governmental Activities Capital Assets, Net | <u>\$28,226,316</u> | <u>\$64,956</u> | <u>\$33,214</u> | <u>\$28,258,058</u> |
| Business-Type Activities | | | | |
| Furniture and Equipment | \$949,694 | \$13,435 | \$0 | \$963,129 |
| Vehicles | <u>54,343</u> | <u>0</u> | <u>0</u> | <u>54,343</u> |
| Total at Historical Cost | <u>\$1,004,037</u> | <u>\$13,435</u> | <u>\$0</u> | <u>\$1,017,472</u> |
| Less Accumulated Depreciation: | | | | |
| Furniture and Equipment | \$909,233 | \$15,058 | \$0 | \$924,291 |
| Vehicles | <u>54,343</u> | <u>0</u> | <u>0</u> | <u>54,343</u> |
| Total at Historical Cost | <u>\$963,576</u> | <u>\$15,058</u> | <u>\$0</u> | <u>\$ 978,634</u> |
| Business-Type Activities Capital Assets, Net | <u>\$40,461</u> | <u>(\$1,623)</u> | <u>\$0</u> | <u>\$38,838</u> |

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE G—CAPITAL ASSETS – (continued)

*Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------|------------------|
| Instruction: | |
| Regular | \$478,980 |
| Special | 27,080 |
| Vocational | 72,276 |
| Support Services: | |
| Pupil | 1,573 |
| Instructional Staff | 1,990 |
| Administration | 14,494 |
| Fiscal | 1,552 |
| Business | 280 |
| Operations and Maintenance | 83,371 |
| Pupil Transportation | 152,546 |
| Central | 25,215 |
| Community Services | 10,954 |
| Extracurricular Activities | <u>3,811</u> |
| Total Depreciation Expense | <u>\$874,122</u> |

NOTE H—LEGAL DEBT MARGIN

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

The effects of these debt limitations at June 30, 2002, are a voted debt margin of \$123,486,468 and an unvoted debt margin of \$1,372,072.

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

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE I—LONG-TERM LIABILITIES

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

| | <u>Balance</u> <u>June 30, 2001</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>June 30, 2002</u> | <u>Due in</u> <u>One Year</u> |
|--------------------------------------------------------|----------------------------------------|------------------|-------------------|----------------------------------------|----------------------------------|
| Government Activities | | | | | |
| General Obligation Bonds: | | | | | |
| 1998 School Improvement | \$24,200,000 | \$0 | \$410,000 | \$23,790,000 | \$450,000 |
| Compensated Absences | <u>3,729,250</u> | <u>785,208</u> | <u>0</u> | <u>4,514,458</u> | <u>1,391,918</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$27,929,250</u> | <u>\$785,208</u> | <u>\$410,000</u> | <u>\$28,304,458</u> | <u>\$1,841,918</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | <u>\$88,855</u> | <u>\$5,316</u> | <u>\$0</u> | <u>\$94,171</u> | <u>\$27,407</u> |

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

BONDED DEBT

| <u>Fiscal Year</u> <u>Ending June 30</u> | <u>Bond</u> <u>Principal</u> | <u>Bond</u> <u>Interest</u> | <u>Total</u> |
|---------------------------------------------|---------------------------------|--------------------------------|---------------------|
| 2003 | \$450,000 | \$1,212,152 | \$1,662,152 |
| 2004 | 495,000 | 1,192,058 | 1,687,058 |
| 2005 | 540,000 | 1,169,645 | 1,709,645 |
| 2006 | 590,000 | 1,144,745 | 1,734,745 |
| 2007 | 640,000 | 1,117,275 | 1,757,275 |
| 2008-2012 | 4,120,000 | 5,024,635 | 9,144,635 |
| 2013-2017 | 6,125,000 | 3,646,302 | 9,771,302 |
| 2018-2022 | 8,710,000 | 1,731,200 | 10,441,200 |
| 2023 | <u>2,120,000</u> | <u>54,740</u> | <u>2,174,740</u> |
| TOTAL | <u>\$23,790,000</u> | <u>\$16,292,752</u> | <u>\$40,082,752</u> |

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE J—DEFINED BENEFIT PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

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

Plan members are required to contribute nine percent (9%) of their annual covered salary and the District is required to contribute fourteen percent (14%); five and two-tenths percent (5.2%) was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,565,394, \$1,471,872 and \$1,373,013 respectively; forty-seven and four-tenths percent (47.4%) has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$823,394 represents the unpaid contribution for fiscal year 2002.

STATE TEACHERS RETIREMENT SYSTEM

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal year ended June 30, 2002, 2001, and 2000 were \$5,181,944, \$4,985,781 and \$4,671,130, respectively, 85.5% percent has been contributed for fiscal year 2002, and 100 percent for the fiscal years 2001 and 2000. \$734,544 represents the unpaid contribution for fiscal year 2002.

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE K—POST EMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$1,665,625 during the 2002 fiscal year. As of July 1, 2001, eligible benefit recipients totaled 102,132. For the fiscal year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000.

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

For 2001 fiscal year, employer contributions to fund health care benefits were 7.0 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. The surcharge rate added to the unallocated portion of the 14 percent employer contribution rate results in a total health care contribution rate of 9.8 percent. For the District, this amount equaled \$1,091,723 during the 2002 fiscal year. The number of participants currently receiving health care benefits is 50,000. For the fiscal year ended June 30, 2001, net health care costs paid by SERS were \$161,439,934.

NOTE L—CONTINGENT LIABILITIES

GRANTS

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

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2002.

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE L—CONTINGENT LIABILITIES – (continued)

LITIGATION

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

NOTE M—RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2002, the District contracted with Cincinnati Insurance Company for property and general liability insurance and boiler and machinery insurance.

Boiler and machinery coverage has a \$2,500 deductible with a \$9,000,000 single limit. Professional liability is protected by Nationwide Insurance Company with \$1,000,000 each occurrence, \$5,000,000 aggregate limit.

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

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

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

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

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

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

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

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE N—STATE SCHOOL FUNDING DECISION

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

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

NOTE O—BUDGETARY BASIS OF ACCOUNTING

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

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

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

| Net Change in Fund Balance Major Governmental Fund | |
|-------------------------------------------------------|--------------------|
| | General |
| GAAP Basis | \$482,097 |
| Revenue Accruals | (842,608) |
| Expenditure Accruals | 1,483,860 |
| Encumbrances | <u>(1,576,863)</u> |
| Budgetary Basis | <u>\$(453,514)</u> |

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE P—COMPLIANCE AND ACCOUNTABILITY

The following funds had an excess of appropriations over estimated revenues plus beginning balance for the fiscal year ended June 30, 2002:

| <u>Fund</u> | <u>Excess</u> |
|------------------------------|---------------|
| <i>Original Budget</i> | |
| Special Revenue: | |
| Career Development | \$5,992 |
| Excellence in Education | 1,207 |
| School Conflict Management | 3,596 |
| Safe School Help Line | 410 |
| Vocational Education Perkins | 23,853 |
| Reading Excellence Award | 98,436 |
| <i>Final Budget</i> | |
| Special Revenue: | |
| Safe School Help Line | \$414 |
| Schools-that-Work | 7,785 |
| Vocational Education Perkins | 42,812 |

The following funds had expenditures plus encumbrances which exceeded actual revenues plus beginning balance for the fiscal year ended June 30, 2002.

| <u>Fund</u> | <u>Excess</u> |
|------------------------------|---------------|
| Special Revenue: | |
| Excellence in Education | \$55 |
| Vocational Education Perkins | 6,200 |
| Title VIR | 3,429 |

State statute requires all funds to have expenditures and encumbrances within approved appropriation limits. The following appropriation accounts had an excess of expenditures plus encumbrances over appropriations for the fiscal year ended June 30, 2002, at the legal level of control.

| <u>Fund</u> | <u>Excess</u> |
|--------------------------|---------------|
| Special Revenue Fund | |
| Excellence in Education: | |
| Community Services | \$55 |

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

NOTE P—COMPLIANCE AND ACCOUNTABILITY – (continued)

| | |
|----------------------|---------|
| Special Revenue Fund | |
| Title II Eisenhower | |
| Support Services: | |
| Instructional Staff | \$1,277 |

| | |
|----------------------|-------|
| Special Revenue Fund | |
| Title VIR | |
| Instruction: | |
| Regular | 4,113 |

| | |
|----------------------|-----|
| Special Revenue Fund | |
| Assistive Technology | |
| Instruction: | |
| Special | 257 |

| | |
|--------------------------|-------|
| Special Revenue Fund | |
| Reading Excellence Award | |
| Instruction: | |
| Special | 2,744 |

NOTE Q—FUND BALANCE RESERVES FOR SET-ASIDES

The District is required by the state to spend a certain percentage of the District's budget for textbooks and capital improvements. For fiscal year ending June 30, 2002, Senate Bill 345 has eliminated the Budget Stabilization Reserve Requirement. A schedule for fiscal year ending June 30, 2002, is as follows:

| | <u>Textbooks</u> | <u>Capital Acquisition</u> |
|--------------------------------------------|----------------------|--------------------------------|
| Set-aside Cash Balance as of June 30, 2001 | \$0 | \$0 |
| Current Year Set-aside Requirement | 1,290,557 | 1,290,537 |
| Qualifying Disbursements | <u>(2,356,991)</u> | <u>(2,876,432)</u> |
| Total | <u>(1,066,434)</u> | <u>(1,585,895)</u> |
| Set-aside carried forward to FY2003 | <u>(\$1,066,434)</u> | <u>\$0</u> |

NORTHWEST LOCAL SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - (continued)
For the Fiscal Year Ended June 30, 2002

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

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

NOTE R—INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2002, consisted of the following individual fund receivables and payables:

Interfund Receivables/Payables:

| | Interfund Loan Receivable | Interfund Loan Payable |
|------------------------------------|------------------------------|---------------------------|
| General Fund | \$3,429 | |
| Special Revenue Fund: Title VIR | | \$3,429 |

NOTE S—FUND BALANCE DEFICITS

Fund balances at June 30, 2002 include the following individual fund deficits:

| | |
|------------------------|---------|
| Special Revenue Funds: | |
| Title VIR | \$4,571 |
| Assistive Technology | 5,621 |

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

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

COMBINING STATEMENTS – NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

UNDERGROUND STORAGE TANK FUND:

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

ATHLETIC FUND:

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

AUXILIARY SERVICES FUND:

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

CONSUMER ECONOMICS FUND:

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

CAREER DEVELOPMENT FUND:

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

EXCELLENCE IN EDUCATION FUND:

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

NORTHWEST LOCAL SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS (continued)

EDUCATION MANAGEMENT INFORMATION SYSTEM FUND:

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

PUBLIC PRESCHOOL FUND:

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

DISADVANTAGED PUPIL IMPACT AID FUND:

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

OHIO SCHOOLNET PROFESSIONAL DEVELOPMENT FUND:

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

OHIOREADS FUND:

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

SUMMER SCHOOL SUBSIDY FUND:

To account state funds which provided summer activities for children who need early intervention.

SCHOOL CONFLICT MANAGEMENT FUND:

To account for state funds which provided programs and educational materials for school dispute resolution and conflict management initiatives.

SAFE SCHOOL HELP LINE FUND:

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

NORTHWEST LOCAL SCHOOL DISTRICT

NONMAJOR SPECIAL REVENUE FUNDS (continued)

SCHOOL READING INCENTIVE AWARD FUND:

To account for state funds received as an award to outstanding improvement by students on the fourth grade proficiency test.

SCHOOLS-THAT-WORK FUND:

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

TITLE II EISENHOWER FUND:

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

TITLE VIB FUND:

To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels. Also, to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

VOCATIONAL EDUCATION PERKINS FUND:

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

TITLE I FUND:

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

TITLE VI INNOVATIVE PROJECTS FUND:

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

NORTHWEST LOCAL SCHOOL DISTRICT

NONMAJOR SPECIAL REVENUE FUNDS (continued)

DRUG FREE SCHOOLS FUND:

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

TITLE VIR FUND:

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

ASSISTIVE TECHNOLOGY FUND:

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

READING EXCELLENCE AWARD FUND:

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

NONMAJOR DEBT SERVICE FUND

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

NORTHWEST LOCAL SCHOOL DISTRICT

NONMAJOR CAPITAL PROJECTS FUNDS (continued)

PERMANENT IMPROVEMENT FUND:

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

OHIO SCHOOLNET FUND:

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

Northwest Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|-----------------------------------------------|-----------------------------------------|-------------------------------------|------------------------------------------|--------------------------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$1,004,201 | \$1,207,501 | \$658,294 | \$2,869,996 |
| Receivables: | | | | |
| Taxes | 0 | 1,291,507 | 0 | 1,291,507 |
| Intergovernmental | 263,220 | 0 | 0 | 263,220 |
| Total Assets | \$1,267,421 | \$2,499,008 | \$658,294 | \$4,424,723 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$59,638 | \$0 | \$0 | \$59,638 |
| Accrued Wages and Benefits | 189,970 | 0 | 0 | 189,970 |
| Interfund Payable | 3,429 | 0 | 0 | 3,429 |
| Deferred Revenue | 218,777 | 870,107 | 0 | 1,088,884 |
| Total Liabilities | 471,814 | 870,107 | 0 | 1,341,921 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 89,128 | 0 | 0 | 89,128 |
| Reserved for Property Tax Advances | 0 | 421,400 | 0 | 421,400 |
| Unreserved, Undesignated, Reported in: | | | | |
| Special Revenue Funds | 706,479 | 0 | 0 | 706,479 |
| Debt Service Funds | 0 | 1,207,501 | 0 | 1,207,501 |
| Capital Projects Funds | 0 | 0 | 658,294 | 658,294 |
| Total Fund Balances | 795,607 | 1,628,901 | 658,294 | 3,082,802 |
| Total Liabilities and Fund Balances | \$1,267,421 | \$2,499,008 | \$658,294 | \$4,424,723 |

Northwest Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2002

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|----------------------------------------------|-----------------------------------------|-------------------------------------|------------------------------------------|--------------------------------------------|
| Revenues: | | | | |
| Taxes | \$0 | \$1,580,267 | \$0 | \$1,580,267 |
| Earnings on Investments | 8,000 | 0 | 0 | 8,000 |
| Intergovernmental | 4,699,876 | 184,204 | 255,716 | 5,139,796 |
| Extracurricular Activities | 535,428 | 0 | 0 | 535,428 |
| Total Revenues | 5,243,304 | 1,764,471 | 255,716 | 7,263,491 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 369,631 | 0 | 239,649 | 609,280 |
| Special | 774,193 | 0 | 0 | 774,193 |
| Vocational | 21,740 | 0 | 0 | 21,740 |
| Support Services: | | | | |
| Pupil | 339,966 | 0 | 0 | 339,966 |
| Instructional Staff | 787,985 | 0 | 4,080 | 792,065 |
| School Administration | 232,667 | 0 | 0 | 232,667 |
| Fiscal | 12,000 | 12,827 | 0 | 24,827 |
| Operations and Maintenance | 0 | 0 | 205,678 | 205,678 |
| Central | 92,572 | 0 | 0 | 92,572 |
| Community Services | 2,330,357 | 0 | 0 | 2,330,357 |
| Extracurricular Activities | 541,631 | 0 | 0 | 541,631 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 410,000 | 0 | 410,000 |
| Interest and Fiscal Charges | 0 | 1,230,133 | 0 | 1,230,133 |
| Total Expenditures | 5,502,742 | 1,652,960 | 449,407 | 7,605,109 |
| Excess of Revenues Over (Under) Expenditures | (259,438) | 111,511 | (193,691) | (341,618) |
| Net Change in Fund Balances | (259,438) | 111,511 | (193,691) | (341,618) |
| Fund Balances Beginning of Year | 1,055,045 | 1,517,390 | 851,985 | 3,424,420 |
| Fund Balances End of Year | \$795,607 | \$1,628,901 | \$658,294 | \$3,082,802 |

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Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

| | Underground Storage Tank | Athletic | Auxiliary Services | Consumer Economics |
|-----------------------------------------------------------------|--------------------------------|------------------|-----------------------|-----------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$11,000 | \$164,411 | \$417,388 | \$45 |
| Receivables: | | | | |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Total Assets | \$11,000 | \$164,411 | \$417,388 | \$45 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$0 | \$4,963 | \$36,106 | \$0 |
| Accrued Wages and Benefits | 0 | 0 | 6,342 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | 0 | 4,963 | 42,448 | 0 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 0 | 0 | 27,527 | 0 |
| Unreserved, Undesignated, Reported in: Special Revenue Funds | 11,000 | 159,448 | 347,413 | 45 |
| Total Fund Balances | 11,000 | 159,448 | 374,940 | 45 |
| Total Liabilities and Fund Balances | \$11,000 | \$164,411 | \$417,388 | \$45 |

| Career Development | Excellence in Education | Education Management Information System | Public Preschool | Disadvantaged Pupil Impact Aid | Ohio SchoolNet Professional Development |
|--------------------|-------------------------|-----------------------------------------|------------------|--------------------------------|-----------------------------------------|
| \$5,849 | \$3,232 | \$28,739 | \$49,380 | \$0 | \$3,775 |
| 0 | 0 | 0 | 0 | 0 | 3,450 |
| <u>\$5,849</u> | <u>\$3,232</u> | <u>\$28,739</u> | <u>\$49,380</u> | <u>\$0</u> | <u>\$7,225</u> |
| \$0 | \$0 | \$13,914 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 16,001 | 0 | 348 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 3,450 |
| 0 | 0 | 13,914 | 16,001 | 0 | 3,798 |
| 5,540 | 3,287 | 0 | 0 | 0 | 0 |
| 309 | (55) | 14,825 | 33,379 | 0 | 3,427 |
| 5,849 | 3,232 | 14,825 | 33,379 | 0 | 3,427 |
| <u>\$5,849</u> | <u>\$3,232</u> | <u>\$28,739</u> | <u>\$49,380</u> | <u>\$0</u> | <u>\$7,225</u> |

continued

Northwest Local School District
 Combining Balance Sheet
 Nonmajor Special Revenue Funds (continued)
 June 30, 2002

| | OhioReads | Summer School Subsidy | School Conflict Management | Safe School Help Line |
|-----------------------------------------------------------------|-----------------|-----------------------------|----------------------------------|-----------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$29,882 | \$0 | \$0 | \$0 |
| Receivables: | | | | |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Total Assets | \$29,882 | \$0 | \$0 | \$0 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$495 | \$0 | \$0 | \$0 |
| Accrued Wages and Benefits | 150 | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | 645 | 0 | 0 | 0 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 15,237 | 0 | 0 | 0 |
| Unreserved, Undesignated, Reported in: Special Revenue Funds | 14,000 | 0 | 0 | 0 |
| Total Fund Balances | 29,237 | 0 | 0 | 0 |
| Total Liabilities and Fund Balances | \$29,882 | \$0 | \$0 | \$0 |

| School Reading Incentive Award | Schools-that-Work | Title II Eisenhower | Title VIB | Vocational Education Perkins | Title I |
|--------------------------------|-------------------|---------------------|------------------|------------------------------|------------------|
| \$0 | \$17,055 | \$9,634 | \$92,789 | \$3,709 | \$105,408 |
| 0 | 0 | 3,395 | 22,545 | 46,259 | 105,962 |
| <u>\$0</u> | <u>\$17,055</u> | <u>\$13,029</u> | <u>\$115,334</u> | <u>\$49,968</u> | <u>\$211,370</u> |
| \$0 | \$0 | \$821 | \$495 | \$562 | \$102 |
| 0 | 0 | 0 | 55,890 | 0 | 79,439 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 3,395 | 22,545 | 46,259 | 105,962 |
| 0 | 0 | 4,216 | 78,930 | 46,821 | 185,503 |
| 0 | 1,000 | 0 | 2,825 | 9,346 | 95 |
| 0 | 16,055 | 8,813 | 33,579 | (6,199) | 25,772 |
| 0 | 17,055 | 8,813 | 36,404 | 3,147 | 25,867 |
| <u>\$0</u> | <u>\$17,055</u> | <u>\$13,029</u> | <u>\$115,334</u> | <u>\$49,968</u> | <u>\$211,370</u> |

continued

Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (concluded)
June 30, 2002

| | Title VI Innovative Projects | Drug Free Schools | Title VIR | Assistive Technology |
|-----------------------------------------------------------------|------------------------------------|----------------------|-----------------|-------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$24,078 | \$4,564 | \$0 | \$43 |
| Receivables: | | | | |
| Intergovernmental | 31,362 | 20,423 | 21,839 | 0 |
| Total Assets | \$55,440 | \$24,987 | \$21,839 | \$43 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$467 | \$1,636 | \$0 | \$0 |
| Accrued Wages and Benefits | 269 | 0 | 22,981 | 5,664 |
| Interfund Payable | 0 | 0 | 3,429 | 0 |
| Deferred Revenue | 31,362 | 5,804 | 0 | 0 |
| Total Liabilities | 32,098 | 7,440 | 26,410 | 5,664 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 0 | 0 | 0 | 0 |
| Unreserved, Undesignated, Reported in: Special Revenue Funds | 23,342 | 17,547 | (4,571) | (5,621) |
| Total Fund Balances | 23,342 | 17,547 | (4,571) | (5,621) |
| Total Liabilities and Fund Balances | \$55,440 | \$24,987 | \$21,839 | \$43 |

| Reading Excellence Award | Total Nonmajor Special Revenue Funds |
|--------------------------------|-----------------------------------------------|
| \$33,220 | \$1,004,201 |
| 7,985 | 263,220 |
| <u>\$41,205</u> | <u>\$1,267,421</u> |
| \$77 | \$59,638 |
| 2,886 | 189,970 |
| 0 | 3,429 |
| 0 | 218,777 |
| <u>2,963</u> | <u>471,814</u> |
| 24,271 | 89,128 |
| <u>13,971</u> | <u>706,479</u> |
| <u>38,242</u> | <u>795,607</u> |
| <u>\$41,205</u> | <u>\$1,267,421</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, 2002

| | Underground Storage Tank | Athletic | Auxiliary Services | Consumer Economics |
|----------------------------------|--------------------------------|------------------|-----------------------|-----------------------|
| Revenues: | | | | |
| Earnings on Investments | \$0 | \$0 | \$8,000 | \$0 |
| Intergovernmental | 0 | 0 | 2,163,923 | 0 |
| Extracurricular Activities | 0 | 535,428 | 0 | 0 |
| Total Revenues | 0 | 535,428 | 2,171,923 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 0 | 0 | 0 | 0 |
| Special | 0 | 0 | 0 | 0 |
| Vocational | 0 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupil | 0 | 0 | 0 | 2,563 |
| Instructional Staff | 0 | 0 | 0 | 0 |
| School Administration | 0 | 0 | 0 | 0 |
| Fiscal | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| Community Services | 0 | 0 | 2,154,780 | 0 |
| Extracurricular Activities | 0 | 541,631 | 0 | 0 |
| Total Expenditures | 0 | 541,631 | 2,154,780 | 2,563 |
| Net Change in Fund Balances | 0 | (6,203) | 17,143 | (2,563) |
| Fund Balances Beginning of Year | 11,000 | 165,651 | 357,797 | 2,608 |
| Fund Balances End of Year | \$11,000 | \$159,448 | \$374,940 | \$45 |

| <u>Career Development</u> | <u>Excellence in Education</u> | <u>Education Management Information System</u> | <u>Public Preschool</u> | <u>Disadvantaged Pupil Impact Aid</u> | <u>Ohio SchoolNet Professional Development</u> |
|-------------------------------|----------------------------------------|------------------------------------------------------------|-----------------------------|-----------------------------------------------|------------------------------------------------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 24,459 | 13,793 | 38,245 | 149,418 | 121,495 | 5,142 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>24,459</u> | <u>13,793</u> | <u>38,245</u> | <u>149,418</u> | <u>121,495</u> | <u>5,142</u> |
| 0 | 0 | 0 | 71,886 | 0 | 0 |
| 0 | 0 | 0 | 0 | 121,495 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 23,109 | 0 | 0 |
| 18,624 | 0 | 0 | 13,172 | 0 | 1,734 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 63,425 | 865 | 0 | 0 |
| 0 | 10,561 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>18,624</u> | <u>10,561</u> | <u>63,425</u> | <u>109,032</u> | <u>121,495</u> | <u>1,734</u> |
| 5,835 | 3,232 | (25,180) | 40,386 | 0 | 3,408 |
| 14 | 0 | 40,005 | (7,007) | 0 | 19 |
| <u>\$5,849</u> | <u>\$3,232</u> | <u>\$14,825</u> | <u>\$33,379</u> | <u>\$0</u> | <u>\$3,427</u> |

continued

Northwest Local School District
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance: (continued)
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended June 30, 2002

| | OhioReads | Summer School Subsidy | School Conflict Management | Safe School Help Line |
|----------------------------------------|-----------------|-----------------------------|----------------------------------|-----------------------------|
| Revenues: | | | | |
| Earnings on Investments | \$0 | \$0 | \$0 | \$0 |
| Intergovernmental | 234,675 | 0 | 0 | 9,940 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Total Revenues | 234,675 | 0 | 0 | 9,940 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 105,687 | 35,986 | 443 | 0 |
| Special | 0 | 0 | 0 | 0 |
| Vocational | 0 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupil | 0 | 0 | 461 | 9,940 |
| Instructional Staff | 104,397 | 21,651 | 0 | 0 |
| School Administration | 0 | 7,134 | 0 | 0 |
| Fiscal | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| Community Services | 1,000 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Total Expenditures | 211,084 | 64,771 | 904 | 9,940 |
| Net Change in Fund Balances | 23,591 | (64,771) | (904) | 0 |
| Fund Balances Beginning of Year | 5,646 | 64,771 | 904 | 0 |
| Fund Balances End of Year | \$29,237 | \$0 | \$0 | \$0 |

| School Reading Incentive Award | Schools-that-Work | Title II Eisenhower | Title VIB | Vocational Education Perkins | Title I |
|--------------------------------|-------------------|---------------------|-----------|------------------------------|----------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 50,000 | 33,781 | 818,246 | 112,814 | 663,685 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 50,000 | 33,781 | 818,246 | 112,814 | 663,685 |
| 119 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 44,527 | 0 | 435,206 |
| 0 | 0 | 0 | 0 | 21,740 | 0 |
| 0 | 33,962 | 0 | 189,398 | 38,539 | 0 |
| 0 | 0 | 44,256 | 334,259 | 25,986 | 151,136 |
| 0 | 0 | 0 | 163,242 | 1,266 | 59,140 |
| 0 | 0 | 0 | 0 | 0 | 9,000 |
| 0 | 0 | 0 | 0 | 28,282 | 0 |
| 0 | 0 | 437 | 97,319 | 0 | 29,022 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 119 | 33,962 | 44,693 | 828,745 | 115,813 | 683,504 |
| (119) | 16,038 | (10,912) | (10,499) | (2,999) | (19,819) |
| 119 | 1,017 | 19,725 | 46,903 | 6,146 | 45,686 |
| \$0 | \$17,055 | \$8,813 | \$36,404 | \$3,147 | \$25,867 |

continued

Northwest Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (concluded)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

| | Title VI Innovative Projects | Drug Free Schools | Title VIR | Assistive Technology |
|----------------------------------|------------------------------------|----------------------|------------------|-------------------------|
| Revenues: | | | | |
| Earnings on Investments | \$0 | \$0 | \$0 | \$0 |
| Intergovernmental | 31,794 | 42,931 | 172,858 | 12,677 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Total Revenues | 31,794 | 42,931 | 172,858 | 12,677 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 0 | 0 | 155,510 | 0 |
| Special | 15,160 | 0 | 0 | 18,298 |
| Vocational | 0 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupil | 1,045 | 40,949 | 0 | 0 |
| Instructional Staff | 17,462 | 0 | 35,307 | 0 |
| School Administration | 0 | 0 | 0 | 0 |
| Fiscal | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| Community Services | 15,813 | 8,607 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Total Expenditures | 49,480 | 49,556 | 190,817 | 18,298 |
| Net Change in Fund Balances | (17,686) | (6,625) | (17,959) | (5,621) |
| Fund Balances Beginning of Year | 41,028 | 24,172 | 13,388 | 0 |
| Fund Balances End of Year | \$23,342 | \$17,547 | (\$4,571) | (\$5,621) |

| Reading Excellence Award | Total Nonmajor Special Revenue Funds |
|--------------------------------|-----------------------------------------------|
| \$0 | \$8,000 |
| 0 | 4,699,876 |
| 0 | 535,428 |
| 0 | 5,243,304 |
| 0 | 369,631 |
| 139,507 | 774,193 |
| 0 | 21,740 |
| 0 | 339,966 |
| 20,001 | 787,985 |
| 1,885 | 232,667 |
| 3,000 | 12,000 |
| 0 | 92,572 |
| 12,818 | 2,330,357 |
| 0 | 541,631 |
| 177,211 | 5,502,742 |
| (177,211) | (259,438) |
| 215,453 | 1,055,045 |
| \$38,242 | \$795,607 |

Northwest Local School District
 Combining Balance Sheet
 Nonmajor Debt Service Fund
 June 30, 2002

| | <u>Debt Service</u> |
|----------------------------------------|---------------------------|
| Assets: | |
| Equity in Pooled Cash and Investments | \$1,207,501 |
| Receivables: | |
| Taxes | <u>1,291,507</u> |
| Total Assets | <u><u>\$2,499,008</u></u> |
| Liabilities and Fund Balances: | |
| Liabilities: | |
| Deferred Revenue | <u>\$870,107</u> |
| Total Liabilities | <u>870,107</u> |
| Fund Balances: | |
| Reserved for Property Tax Advances | 421,400 |
| Unreserved, Undesignated, Reported in: | |
| Debt Service Funds | <u>1,207,501</u> |
| Total Fund Balance | <u>1,628,901</u> |
| Total Liabilities and Fund Balances | <u><u>\$2,499,008</u></u> |

Northwest Local School District
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Debt Service Fund
 For the Fiscal Year Ended June 30, 2002

| | <u>Debt Service</u> |
|--------------------------------|---------------------------|
| Revenues: | |
| Taxes | \$1,580,267 |
| Intergovernmental | <u>184,204</u> |
| Total Revenues | <u>1,764,471</u> |
| Expenditures: | |
| Current: | |
| Fiscal | 12,827 |
| Debt Service: | |
| Principal Retirement | 410,000 |
| Interest and Fiscal Charges | <u>1,230,133</u> |
| Total Expenditures | <u>1,652,960</u> |
| Net Change in Fund Balance | 111,511 |
| Fund Balance Beginning of Year | <u>1,517,390</u> |
| Fund Balance End of Year | <u><u>\$1,628,901</u></u> |

Northwest Local School District
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2002

| | Permanent Improvement | Ohio SchoolNet | Total Nonmajor Capital Projects Funds |
|------------------------------------------------------------------|--------------------------|-------------------|------------------------------------------------|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$583,714 | \$74,580 | \$658,294 |
| Total Assets | \$583,714 | \$74,580 | \$658,294 |
| Liabilities and Fund Balances: | | | |
| Total Liabilities | \$0 | \$0 | \$0 |
| Fund Balances: | | | |
| Unreserved, Undesignated, Reported in: Capital Projects Funds | 583,714 | 74,580 | 658,294 |
| Total Liabilities and Fund Balances | \$583,714 | \$74,580 | \$658,294 |

Northwest Local School District
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Fiscal Year Ended June 30, 2002

| | Permanent Improvement | Ohio SchoolNet | Total Nonmajor Capital Projects Funds |
|---------------------------------|--------------------------|-------------------|------------------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$200,816 | \$54,900 | \$255,716 |
| Total Revenues | 200,816 | 54,900 | 255,716 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 0 | 239,649 | 239,649 |
| Support Services: | | | |
| Instructional Staff | 0 | 4,080 | 4,080 |
| Operations and Maintenance | 204,873 | 805 | 205,678 |
| Total Expenditures | 204,873 | 244,534 | 449,407 |
| Net Change in Fund Balances | (4,057) | (189,634) | (193,691) |
| Fund Balances Beginning of Year | 587,771 | 264,214 | 851,985 |
| Fund Balances End of Year | \$583,714 | \$74,580 | \$658,294 |

Northwest Local School District
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2002

| | Student Activity | | | Ending Balance |
|---------------------------------|----------------------|-----------------|----------------|-------------------|
| | Beginning Balance | Additions | Deductions | |
| Assets: | | | | |
| Restricted Cash and Investments | \$140,663 | \$17,404 | \$0 | \$158,067 |
| Receivables: | | | | |
| Accounts | 1,454 | 0 | 1,454 | 0 |
| Total Assets | <u>\$142,117</u> | <u>\$17,404</u> | <u>\$1,454</u> | <u>\$158,067</u> |
| Liabilities: | | | | |
| Accounts Payable | \$1,090 | \$799 | \$1,090 | \$799 |
| Other Liabilities | 141,027 | 16,605 | 364 | 157,268 |
| Total Liabilities | <u>\$142,117</u> | <u>\$17,404</u> | <u>\$1,454</u> | <u>\$158,067</u> |

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

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|--------------------|--------------------|--------------------|---------------------------------------------------------|
| Revenues: | | | | |
| Taxes | \$36,933,139 | \$36,985,980 | \$36,998,585 | \$12,605 |
| Revenue in lieu of taxes | 836,369 | 783,735 | 837,851 | 54,116 |
| Tuition and Fees | 963,837 | 965,000 | 965,545 | 545 |
| Interest | 700,173 | 750,000 | 701,414 | (48,586) |
| Intergovernmental | 31,025,300 | 30,763,455 | 31,080,277 | 316,822 |
| Other Revenues | 531,934 | 530,000 | 532,877 | 2,877 |
| Total Revenues | 70,990,752 | 70,778,170 | 71,116,549 | 338,379 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| <u>Regular</u> | | | | |
| Salaries and Wages | 25,810,000 | 25,388,900 | 25,218,916 | 169,984 |
| Fringe Benefits | 6,750,950 | 6,482,100 | 6,479,073 | 3,027 |
| Purchased Services | 322,600 | 567,700 | 490,755 | 76,945 |
| Materials and Supplies | 1,494,669 | 1,494,769 | 1,205,822 | 288,947 |
| Capital Outlay | 245,300 | 245,300 | 206,467 | 38,833 |
| Capital Outlay - Replacement | 297,262 | 297,262 | 268,930 | 28,332 |
| Total Regular | 34,920,781 | 34,476,031 | 33,869,963 | 606,068 |
| <u>Special</u> | | | | |
| Salaries and Wages | 4,302,000 | 4,293,500 | 4,292,400 | 1,100 |
| Fringe Benefits | 1,183,305 | 1,161,500 | 1,160,762 | 738 |
| Purchased Services | 690,000 | 867,000 | 820,662 | 46,338 |
| Materials and Supplies | 9,000 | 9,000 | 0 | 9,000 |
| Total Special | 6,184,305 | 6,331,000 | 6,273,824 | 57,176 |
| <u>Vocational</u> | | | | |
| Salaries and Wages | 1,460,000 | 1,380,000 | 1,379,395 | 605 |
| Fringe Benefits | 371,160 | 351,000 | 350,343 | 657 |
| Purchased Services | 35,700 | 36,900 | 28,375 | 8,525 |
| Materials and Supplies | 209,000 | 209,000 | 191,638 | 17,362 |
| Capital Outlay | 27,338 | 27,338 | 2,304 | 25,034 |
| Capital Outlay - Replacement | 107,200 | 107,200 | 92,382 | 14,818 |
| Total Vocational | \$2,210,398 | \$2,111,438 | \$2,044,437 | \$67,001 |

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|--------------------|--------------------|--------------------|---------------------------------------------------------|
| Support Services: | | | | |
| <u>Pupil</u> | | | | |
| Salaries and Wages | \$1,812,250 | \$1,755,500 | \$1,753,770 | \$1,730 |
| Fringe Benefits | 485,135 | 468,950 | 467,529 | 1,421 |
| Purchased Services | 1,331,619 | 1,431,619 | 1,257,079 | 174,540 |
| Materials and Supplies | 146,250 | 146,250 | 82,260 | 63,990 |
| Other Expenditures | 27,050 | 27,050 | 15,359 | 11,691 |
| Total Pupil | 3,802,304 | 3,829,369 | 3,575,997 | 253,372 |
| <u>Instructional Staff</u> | | | | |
| Salaries and Wages | 2,601,500 | 2,657,000 | 2,656,446 | 554 |
| Fringe Benefits | 775,300 | 839,500 | 835,944 | 3,556 |
| Purchased Services | 261,000 | 271,900 | 213,536 | 58,364 |
| Materials and Supplies | 96,375 | 96,375 | 93,460 | 2,915 |
| Capital Outlay | 3,500 | 3,500 | 3,239 | 261 |
| Capital Outlay - Replacement | 2,500 | 2,500 | 2,303 | 197 |
| Other Expenditures | 15,200 | 15,200 | 4,162 | 11,038 |
| Total Instructional Staff | 3,755,375 | 3,885,975 | 3,809,090 | 76,885 |
| <u>General Administration</u> | | | | |
| Salaries and Wages | 9,600 | 9,600 | 9,600 | 0 |
| Fringe Benefits | 1,595 | 1,595 | 1,519 | 76 |
| Purchased Services | 16,000 | 16,000 | 6,815 | 9,185 |
| Other Expenditures | 117,000 | 117,000 | 69,986 | 47,014 |
| Total General Administration | 144,195 | 144,195 | 87,920 | 56,275 |
| <u>School Administration</u> | | | | |
| Salaries and Wages | 3,695,000 | 3,534,000 | 3,532,750 | 1,250 |
| Fringe Benefits | 923,220 | 946,500 | 913,267 | 33,233 |
| Purchased Services | 146,580 | 153,680 | 130,966 | 22,714 |
| Materials and Supplies | 109,433 | 109,433 | 95,531 | 13,902 |
| Capital Outlay | 1,500 | 1,500 | 0 | 1,500 |
| Capital Outlay - Replacement | 2,000 | 2,000 | 0 | 2,000 |
| Other Expenditures | 225,000 | 233,000 | 227,806 | 5,194 |
| Total School Administration | \$5,102,733 | \$4,980,113 | \$4,900,320 | \$79,793 |

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------|--------------------|--------------------|--------------------|---------------------------------------------------------|
| <u>Fiscal</u> | | | | |
| Salaries and Wages | \$485,000 | \$500,000 | \$499,941 | \$59 |
| Fringe Benefits | 138,600 | 152,000 | 151,561 | 439 |
| Purchased Services | 18,500 | 18,500 | 14,262 | 4,238 |
| Materials and Supplies | 15,200 | 15,200 | 14,996 | 204 |
| Capital Outlay | 4,500 | 4,500 | 0 | 4,500 |
| Other Expenditures | 555,600 | 593,100 | 591,949 | 1,151 |
| Total Fiscal | 1,217,400 | 1,283,300 | 1,272,709 | 10,591 |
| <u>Business</u> | | | | |
| Salaries and Wages | 170,075 | 170,075 | 169,656 | 419 |
| Fringe Benefits | 46,220 | 46,220 | 45,560 | 660 |
| Purchased Services | 292,600 | 298,600 | 295,288 | 3,312 |
| Materials and Supplies | 10,500 | 10,500 | 10,006 | 494 |
| Total Business | 519,395 | 525,395 | 520,510 | 4,885 |
| <u>Operations and Maintenance</u> | | | | |
| Salaries and Wages | 2,515,000 | 2,400,000 | 2,398,944 | 1,056 |
| Fringe Benefits | 805,515 | 770,000 | 769,161 | 839 |
| Purchased Services | 4,949,371 | 5,234,471 | 4,965,327 | 269,144 |
| Materials and Supplies | 454,446 | 455,446 | 426,804 | 28,642 |
| Capital Outlay - Replacement | 45,000 | 45,000 | 44,908 | 92 |
| Total Operations and Maintenance | 8,769,332 | 8,904,917 | 8,605,144 | 299,773 |
| <u>Pupil Transportation</u> | | | | |
| Salaries and Wages | 2,175,000 | 2,217,000 | 2,216,046 | 954 |
| Fringe Benefits | 593,435 | 601,000 | 599,999 | 1,001 |
| Purchased Services | 204,400 | 210,500 | 208,435 | 2,065 |
| Materials and Supplies | 429,000 | 433,000 | 359,646 | 73,354 |
| Capital Outlay - Replacement | 632,493 | 632,493 | 632,181 | 312 |
| Total Pupil Transportation | 4,034,328 | 4,093,993 | 4,016,307 | 77,686 |
| <u>Central</u> | | | | |
| Salaries and Wages | 748,000 | 851,000 | 748,348 | 102,652 |
| Fringe Benefits | 203,390 | 229,000 | 216,135 | 12,865 |
| Purchased Services | 171,300 | 171,300 | 152,515 | 18,785 |
| Materials and Supplies | 106,000 | 106,000 | 89,037 | 16,963 |
| Capital Outlay | 40,000 | 40,000 | 37,068 | 2,932 |
| Capital Outlay - Replacement | 3,700 | 3,700 | 2,928 | 772 |
| Total Central | \$1,272,390 | \$1,401,000 | \$1,246,031 | \$154,969 |

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund (concluded)
For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------------------|--------------------|-----------------|--------------|---------------------------------------------------------|
| <u>Community Services</u> | | | | |
| Salaries and Wages | \$240,000 | \$232,000 | \$229,961 | \$2,039 |
| Fringe Benefits | 40,045 | 44,000 | 43,542 | 458 |
| Materials and Supplies | 5,400 | 5,400 | 1,877 | 3,523 |
| Other Expenditures | 10,000 | 10,000 | 9,375 | 625 |
| Total Community Services | 295,445 | 291,400 | 284,755 | 6,645 |
| <u>Extracurricular Activities</u> | | | | |
| Salaries and Wages | 716,700 | 682,400 | 671,080 | 11,320 |
| Fringe Benefits | 112,450 | 117,005 | 112,403 | 4,602 |
| Purchased Services | 61,000 | 61,000 | 53,392 | 7,608 |
| Other Expenditures | 1,500 | 1,500 | 0 | 1,500 |
| Total Extracurricular Activities | 891,650 | 861,905 | 836,875 | 25,030 |
| Capital Outlay | 250,000 | 250,000 | 249,847 | 153 |
| Total Expenditures | 73,370,031 | 73,370,031 | 71,593,729 | 1,776,302 |
| Excess of Revenues Over (Under) Expenditures | (2,379,279) | (2,591,861) | (477,180) | 2,114,681 |
| Other financing sources (uses): | | | | |
| Proceeds from Sale of Fixed Assets | 23,623 | 25,000 | 23,666 | (1,334) |
| Total Other Financing Sources (Uses) | 23,623 | 25,000 | 23,666 | (1,334) |
| Net Change in Fund Balance | (2,355,656) | (2,566,861) | (453,514) | 2,113,347 |
| Fund Balance Beginning of Year | 12,124,957 | 12,124,957 | 12,124,957 | 0 |
| Prior year encumbrances appropriated | 946,030 | 946,030 | 946,030 | 0 |
| Fund Balance End of Year | \$10,715,331 | \$10,504,126 | \$12,617,473 | \$2,113,347 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Underground Storage Tank Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

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

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Athletic Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
| Revenues: | | | | |
| Extracurricular Activities | \$625,000 | \$540,000 | \$535,428 | (\$4,572) |
| Total Revenues | 625,000 | 540,000 | 535,428 | (4,572) |
| Expenditures: | | | | |
| Current: | | | | |
| Extracurricular Activities | 625,000 | 661,225 | 550,751 | 110,474 |
| Total Expenditures | 625,000 | 661,225 | 550,751 | 110,474 |
| Net Change in Fund Balance | 0 | (121,225) | (15,323) | 105,902 |
| Fund Balance Beginning of Year | 179,734 | 179,734 | 179,734 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | <u>\$179,734</u> | <u>\$58,509</u> | <u>\$164,411</u> | <u>\$105,902</u> |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Auxiliary Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Interest | \$7,919 | \$8,000 | \$8,000 | \$0 |
| Intergovernmental | 2,142,081 | 2,164,000 | 2,163,923 | (77) |
| Total Revenues | 2,150,000 | 2,172,000 | 2,171,923 | (77) |
| Expenditures: | | | | |
| Current: | | | | |
| Community Services | 2,100,000 | 2,300,000 | 2,196,449 | 103,551 |
| Total Expenditures | 2,100,000 | 2,300,000 | 2,196,449 | 103,551 |
| Net Change in Fund Balance | 50,000 | (128,000) | (24,526) | 103,474 |
| Fund Balance Beginning of Year | 252,737 | 252,737 | 252,737 | 0 |
| Prior year encumbrances appropriated | 125,542 | 125,542 | 125,542 | 0 |
| Fund Balance End of Year | \$428,279 | \$250,279 | \$353,753 | \$103,474 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Consumer Economics Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|---------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$2,400 | \$2,400 | \$2,400 | \$0 |
| Total Revenues | 2,400 | 2,400 | 2,400 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupil | 3,441 | 3,441 | 3,396 | 45 |
| Total Expenditures | 3,441 | 3,441 | 3,396 | 45 |
| Net Change in Fund Balance | (1,041) | (1,041) | (996) | 45 |
| Fund Balance Beginning of Year | (2,400) | (2,400) | (2,400) | 0 |
| Prior year encumbrances appropriated | 3,441 | 3,441 | 3,441 | 0 |
| Fund Balance End of Year | \$0 | \$0 | \$45 | \$45 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Career Development Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$41,275 | \$30,735 | \$30,738 | \$3 |
| Total Revenues | 41,275 | 30,735 | 30,738 | 3 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff | 41,000 | 24,459 | 24,164 | 295 |
| Total Expenditures | 41,000 | 24,459 | 24,164 | 295 |
| Net Change in Fund Balance | 275 | 6,276 | 6,574 | 298 |
| Fund Balance Beginning of Year | (6,267) | (6,267) | (6,267) | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | (\$5,992) | \$9 | \$307 | \$298 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Excellence in Education Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$13,793 | \$13,793 | \$13,793 | \$0 |
| Total Revenues | 13,793 | 13,793 | 13,793 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Community Services | 15,000 | 13,793 | 13,848 | (55) |
| Total Expenditures | 15,000 | 13,793 | 13,848 | (55) |
| Net Change in Fund Balance | (1,207) | 0 | (55) | (55) |
| Fund Balance Beginning of Year | 0 | 0 | 0 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | (\$1,207) | \$0 | (\$55) | (\$55) |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Education Management Information System Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$41,000 | \$38,245 | \$38,245 | \$0 |
| Total Revenues | 41,000 | 38,245 | 38,245 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Central | 41,000 | 50,000 | 49,511 | 489 |
| Total Expenditures | 41,000 | 50,000 | 49,511 | 489 |
| Net Change in Fund Balance | 0 | (11,755) | (11,266) | 489 |
| Fund Balance Beginning of Year | 40,005 | 40,005 | 40,005 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$40,005 | \$28,250 | \$28,739 | \$489 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Public Preschool Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$150,000 | \$149,400 | \$149,418 | \$18 |
| Total Revenues | 150,000 | 149,400 | 149,418 | 18 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 102,300 | 112,852 | 79,186 | 33,666 |
| Support Services: | | | | |
| Pupil | 30,252 | 33,372 | 23,416 | 9,956 |
| Instructional Staff | 16,331 | 18,015 | 12,641 | 5,374 |
| Central | 1,117 | 1,233 | 865 | 368 |
| Total Expenditures | 150,000 | 165,472 | 116,108 | 49,364 |
| Net Change in Fund Balance | 0 | (16,072) | 33,310 | 49,382 |
| Fund Balance Beginning of Year | 15,207 | 15,207 | 15,207 | 0 |
| Prior year encumbrances appropriated | 865 | 865 | 865 | 0 |
| Fund Balance End of Year | \$16,072 | \$0 | \$49,382 | \$49,382 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Disadvantaged Pupil Impact Aid Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$90,000 | \$124,500 | \$121,495 | (\$3,005) |
| Total Revenues | 90,000 | 124,500 | 121,495 | (3,005) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 90,000 | 124,500 | 121,495 | 3,005 |
| Total Expenditures | 90,000 | 124,500 | 121,495 | 3,005 |
| Net Change in Fund Balance | 0 | 0 | 0 | 0 |
| Fund Balance Beginning of Year | 0 | 0 | 0 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$0 | \$0 | \$0 | \$0 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Ohio SchoolNet Professional Development Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$5,142 | \$5,142 | \$5,142 | \$0 |
| Total Revenues | 5,142 | 5,142 | 5,142 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff | 5,000 | 5,161 | 1,386 | 3,775 |
| Total Expenditures | 5,000 | 5,161 | 1,386 | 3,775 |
| Net Change in Fund Balance | 142 | (19) | 3,756 | 3,775 |
| Fund Balance Beginning of Year | 19 | 19 | 19 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | <u>\$161</u> | <u>\$0</u> | <u>\$3,775</u> | <u>\$3,775</u> |

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
OhioReads Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$232,675 | \$234,675 | \$234,675 | \$0 |
| Total Revenues | 232,675 | 234,675 | 234,675 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 79,441 | 127,106 | 119,781 | 7,325 |
| Support Services: | | | | |
| Instructional Staff | 69,896 | 111,833 | 105,389 | 6,444 |
| Community Services | 663 | 1,061 | 1,000 | 61 |
| Total Expenditures | 150,000 | 240,000 | 226,170 | 13,830 |
| Net Change in Fund Balance | 82,675 | (5,325) | 8,505 | 13,830 |
| Fund Balance Beginning of Year | 4,977 | 4,977 | 4,977 | 0 |
| Prior year encumbrances appropriated | 668 | 668 | 668 | 0 |
| Fund Balance End of Year | \$88,320 | \$320 | \$14,150 | \$13,830 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Summer School Subsidy Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Total Revenues | \$65,000 | \$0 | \$0 | \$0 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 35,986 | 35,986 | 35,986 | 0 |
| Support Services: | | | | |
| Instructional Staff | 21,651 | 21,651 | 21,651 | 0 |
| School Administration | 7,134 | 7,134 | 7,134 | 0 |
| Total Expenditures | 64,771 | 64,771 | 64,771 | 0 |
| Net Change in Fund Balance | 229 | (64,771) | (64,771) | 0 |
| Fund Balance Beginning of Year | 64,771 | 64,771 | 64,771 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$65,000 | \$0 | \$0 | \$0 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Conflict Management Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|--------|---------------------------------------------------------|
| Revenues: | | | | |
| Total Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 2,205 | 443 | 443 | 0 |
| Support Services: | | | | |
| Pupil | 2,295 | 461 | 461 | 0 |
| Total Expenditures | 4,500 | 904 | 904 | 0 |
| Net Change in Fund Balance | (4,500) | (904) | (904) | 0 |
| Fund Balance Beginning of Year | 904 | 904 | 904 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | (\$3,596) | \$0 | \$0 | \$0 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Safe School Help Line Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|---------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$9,940 | \$9,940 | \$9,940 | \$0 |
| Total Revenues | 9,940 | 9,940 | 9,940 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupil | 10,350 | 10,354 | 9,940 | 414 |
| Total Expenditures | 10,350 | 10,354 | 9,940 | 414 |
| Net Change in Fund Balance | (410) | (414) | 0 | 414 |
| Fund Balance Beginning of Year | 0 | 0 | 0 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | (\$410) | (\$414) | \$0 | \$414 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Reading Incentive Award Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|--------|---------------------------------------------------------|
| Revenues: | | | | |
| Total Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 119 | 119 | 119 | 0 |
| Total Expenditures | 119 | 119 | 119 | 0 |
| Net Change in Fund Balance | (119) | (119) | (119) | 0 |
| Fund Balance Beginning of Year | 0 | 0 | 0 | 0 |
| Prior year encumbrances appropriated | 119 | 119 | 119 | 0 |
| Fund Balance End of Year | \$0 | \$0 | \$0 | \$0 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Schools-that-Work Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$50,000 | \$50,000 | \$50,000 | \$0 |
| Total Revenues | 50,000 | 50,000 | 50,000 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupil | 25,000 | 58,803 | 34,962 | 23,841 |
| Total Expenditures | 25,000 | 58,803 | 34,962 | 23,841 |
| Net Change in Fund Balance | 25,000 | (8,803) | 15,038 | 23,841 |
| Fund Balance Beginning of Year | 628 | 628 | 628 | 0 |
| Prior year encumbrances appropriated | 390 | 390 | 390 | 0 |
| Fund Balance End of Year | \$26,018 | (\$7,785) | \$16,056 | \$23,841 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title II Eisenhower Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$39,513 | \$43,673 | \$43,673 | \$0 |
| Total Revenues | 39,513 | 43,673 | 43,673 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff | 38,632 | 44,563 | 45,840 | (1,277) |
| Community Services | 368 | 437 | 437 | 0 |
| Total Expenditures | 39,000 | 45,000 | 46,277 | (1,277) |
| Net Change in Fund Balance | 513 | (1,327) | (2,604) | (1,277) |
| Fund Balance Beginning of Year | 11,508 | 11,508 | 11,508 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$12,021 | \$10,181 | \$8,904 | (\$1,277) |

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VIB Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$691,620 | \$818,220 | \$821,866 | \$3,646 |
| Total Revenues | 691,620 | 818,220 | 821,866 | 3,646 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 38,877 | 49,322 | 47,847 | 1,475 |
| Support Services: | | | | |
| Pupil | 172,115 | 218,356 | 211,824 | 6,532 |
| Instructional Staff | 247,292 | 313,728 | 304,345 | 9,383 |
| School Administration | 132,640 | 168,275 | 163,242 | 5,033 |
| Community Services | 79,075 | 100,319 | 97,319 | 3,000 |
| Total Expenditures | 669,999 | 850,000 | 824,577 | 25,423 |
| Net Change in Fund Balance | 21,621 | (31,780) | (2,711) | 29,069 |
| Fund Balance Beginning of Year | 92,067 | 92,067 | 92,067 | 0 |
| Prior year encumbrances appropriated | 114 | 114 | 114 | 0 |
| Fund Balance End of Year | \$113,802 | \$60,401 | \$89,470 | \$29,069 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Vocational Education Perkins Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$92,860 | \$103,260 | \$123,672 | \$20,412 |
| Total Revenues | 92,860 | 103,260 | 123,672 | 20,412 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Vocational | 19,868 | 25,076 | 22,202 | 2,874 |
| Support Services: | | | | |
| Pupil | 38,444 | 48,521 | 42,961 | 5,560 |
| Instructional Staff | 24,855 | 31,370 | 27,775 | 3,595 |
| School Administration | 1,133 | 1,430 | 1,266 | 164 |
| Central | 27,701 | 34,963 | 30,956 | 4,007 |
| Total Expenditures | 112,001 | 141,360 | 125,160 | 16,200 |
| Net Change in Fund Balance | (19,141) | (38,100) | (1,488) | 36,612 |
| Fund Balance Beginning of Year | (10,858) | (10,858) | (10,858) | 0 |
| Prior year encumbrances appropriated | 6,146 | 6,146 | 6,146 | 0 |
| Fund Balance End of Year | (\$23,853) | (\$42,812) | (\$6,200) | \$36,612 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title I Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$700,000 | \$662,000 | \$663,685 | \$1,685 |
| Total Revenues | 700,000 | 662,000 | 663,685 | 1,685 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 449,796 | 449,796 | 433,207 | 16,589 |
| Support Services: | | | | |
| Instructional Staff | 149,109 | 149,109 | 143,610 | 5,499 |
| School Administration | 61,609 | 61,609 | 59,337 | 2,272 |
| Fiscal | 9,345 | 9,345 | 9,000 | 345 |
| Community Services | 30,141 | 30,141 | 29,029 | 1,112 |
| Total Expenditures | 700,000 | 700,000 | 674,183 | 25,817 |
| Net Change in Fund Balance | 0 | (38,000) | (10,498) | 27,502 |
| Fund Balance Beginning of Year | 115,708 | 115,708 | 115,708 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$115,708 | \$77,708 | \$105,210 | \$27,502 |

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI Innovative Projects Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$60,095 | \$67,995 | \$68,011 | \$16 |
| Total Revenues | 60,095 | 67,995 | 68,011 | 16 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 12,158 | 21,074 | 14,891 | 6,183 |
| Support Services: | | | | |
| Pupil | 853 | 1,479 | 1,045 | 434 |
| Instructional Staff | 14,044 | 24,344 | 17,201 | 7,143 |
| Community Services | 17,944 | 31,103 | 21,977 | 9,126 |
| Total Expenditures | 44,999 | 78,000 | 55,114 | 22,886 |
| Net Change in Fund Balance | 15,096 | (10,005) | 12,897 | 22,902 |
| Fund Balance Beginning of Year | 8,740 | 8,740 | 8,740 | 0 |
| Prior year encumbrances appropriated | 2,026 | 2,026 | 2,026 | 0 |
| Fund Balance End of Year | \$25,862 | \$761 | \$23,663 | \$22,902 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Drug Free Schools Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$48,000 | \$32,432 | \$32,444 | \$12 |
| Total Revenues | 48,000 | 32,432 | 32,444 | 12 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupil | 45,405 | 44,167 | 40,729 | 3,438 |
| Community Services | 9,595 | 9,333 | 8,607 | 726 |
| Total Expenditures | 55,000 | 53,500 | 49,336 | 4,164 |
| Net Change in Fund Balance | (7,000) | (21,068) | (16,892) | 4,176 |
| Fund Balance Beginning of Year | 19,326 | 19,326 | 19,326 | 0 |
| Prior year encumbrances appropriated | 1,813 | 1,813 | 1,813 | 0 |
| Fund Balance End of Year | \$14,139 | \$71 | \$4,247 | \$4,176 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VIR Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$150,000 | \$151,000 | \$151,019 | \$19 |
| Total Revenues | 150,000 | 151,000 | 151,019 | 19 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 128,461 | 139,693 | 143,806 | (4,113) |
| Support Services: | | | | |
| Instructional Staff | 31,539 | 35,307 | 35,307 | 0 |
| Total Expenditures | 160,000 | 175,000 | 179,113 | (4,113) |
| Net Change in Fund Balance | (10,000) | (24,000) | (28,094) | (4,094) |
| Fund Balance Beginning of Year | 24,665 | 24,665 | 24,665 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$14,665 | \$665 | (\$3,429) | (\$4,094) |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Assistive Technology Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$0 | \$12,677 | \$12,677 | \$0 |
| Total Revenues | 0 | 12,677 | 12,677 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 0 | 12,377 | 12,634 | (257) |
| Total Expenditures | 0 | 12,377 | 12,634 | (257) |
| Net Change in Fund Balance | 0 | 300 | 43 | (257) |
| Fund Balance Beginning of Year | 0 | 0 | 0 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$0 | \$300 | \$43 | (\$257) |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Reading Excellence Award Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$36,640 | \$146,690 | \$146,692 | \$2 |
| Total Revenues | 36,640 | 146,690 | 146,692 | 2 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 157,739 | 157,159 | 159,903 | (2,744) |
| Support Services: | | | | |
| Instructional Staff | 24,798 | 25,138 | 25,138 | 0 |
| School Administration | 1,859 | 1,885 | 1,885 | 0 |
| Fiscal | 2,959 | 3,000 | 3,000 | 0 |
| Community Services | 12,645 | 12,818 | 12,818 | 0 |
| Total Expenditures | 200,000 | 200,000 | 202,744 | (2,744) |
| Net Change in Fund Balance | (163,360) | (53,310) | (56,052) | (2,742) |
| Fund Balance Beginning of Year | 64,210 | 64,210 | 64,210 | 0 |
| Prior year encumbrances appropriated | 714 | 714 | 714 | 0 |
| Fund Balance End of Year | (\$98,436) | \$11,614 | \$8,872 | (\$2,742) |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-------------|---------------------------------------------------------|
| Revenues: | | | | |
| Taxes | \$1,542,383 | \$1,529,392 | \$1,534,775 | \$5,383 |
| Intergovernmental | 185,117 | 183,558 | 184,204 | 646 |
| Total Revenues | 1,727,500 | 1,712,950 | 1,718,979 | 6,029 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Fiscal | 12,921 | 25,000 | 12,827 | 12,173 |
| Debt Service: | | | | |
| Principal Retirement | 413,020 | 410,000 | 410,000 | 0 |
| Interest and Fiscal Charges | 1,239,192 | 1,230,132 | 1,230,132 | 0 |
| Total Expenditures | 1,665,133 | 1,665,132 | 1,652,959 | 12,173 |
| Net Change in Fund Balance | 62,367 | 47,818 | 66,020 | 18,202 |
| Fund Balance Beginning of Year | 1,141,483 | 1,141,483 | 1,141,483 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$1,203,850 | \$1,189,301 | \$1,207,503 | \$18,202 |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Permanent Improvement Capital Projects Fund
 For the Fiscal Year Ended June 30, 2002

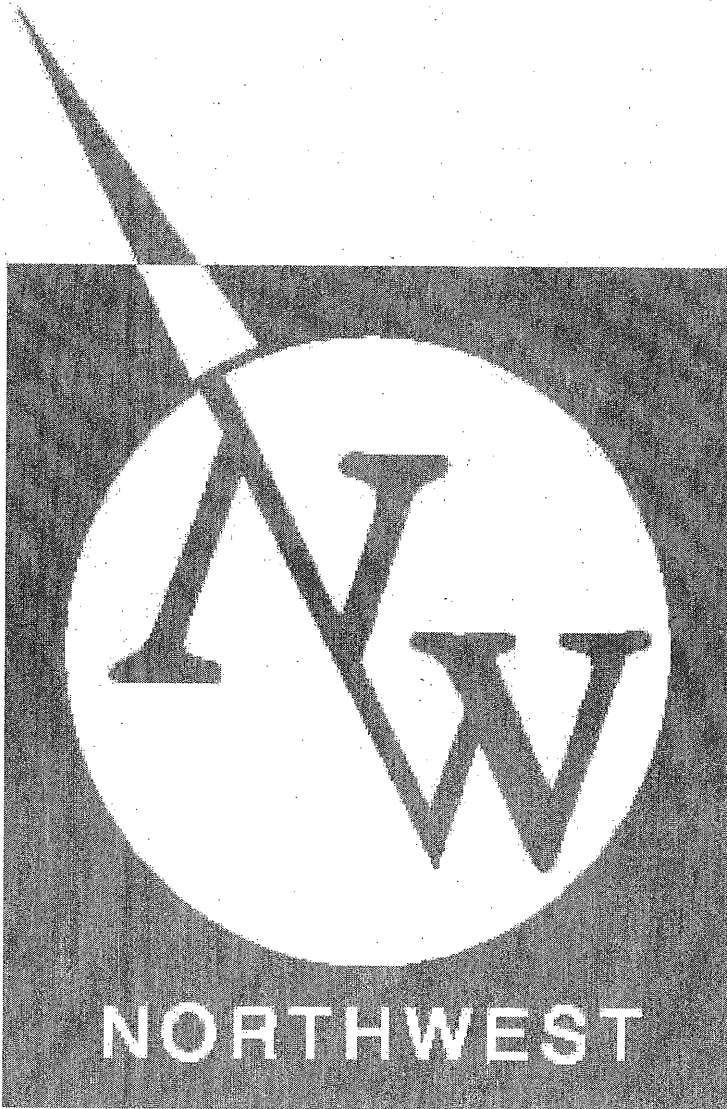
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|------------------|------------------|---------------------------------------------------------|
| Revenues: | | | | |
| Other Revenues | \$0 | \$200,816 | \$200,816 | \$0 |
| Total Revenues | 0 | 200,816 | 200,816 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Operations and Maintenance | 580,000 | 580,000 | 204,873 | 375,127 |
| Total Expenditures | 580,000 | 580,000 | 204,873 | 375,127 |
| Net Change in Fund Balance | (580,000) | (379,184) | (4,057) | 375,127 |
| Fund Balance Beginning of Year | 382,897 | 382,897 | 382,897 | 0 |
| Prior year encumbrances appropriated | 204,873 | 204,873 | 204,873 | 0 |
| Fund Balance End of Year | <u>\$7,770</u> | <u>\$208,586</u> | <u>\$583,713</u> | <u>\$375,127</u> |

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Ohio SchoolNet Capital Projects Fund
 For the Fiscal Year Ended June 30, 2002

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$8,260 | \$60,760 | \$63,161 | \$2,401 |
| Total Revenues | 8,260 | 60,760 | 63,161 | 2,401 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 147,938 | 268,737 | 239,649 | 29,088 |
| Support Services: | | | | |
| Instructional Staff | 2,519 | 4,575 | 4,080 | 495 |
| Operations and Maintenance | 497 | 903 | 805 | 98 |
| Total Expenditures | 150,954 | 274,215 | 244,534 | 29,681 |
| Net Change in Fund Balance | (142,694) | (213,455) | (181,373) | 32,082 |
| Fund Balance Beginning of Year | 255,954 | 255,954 | 255,954 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 0 |
| Fund Balance End of Year | \$113,260 | \$42,499 | \$74,581 | \$32,082 |

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**Statistical
Section**



**Northwest Local
School District**

STATISTICAL TABLES

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

NORTHWEST LOCAL SCHOOL DISTRICT
GENERAL GOVERNMENTAL EXPENSES / EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
1993 - 2002

| | 2002 Fiscal | | 2001 Fiscal | 2000 Fiscal | 1999 Fiscal |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Full Accrual | Modified Accrual | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | \$34,805,741 | \$34,477,390 | \$32,195,439 | \$30,005,234 | \$27,944,788 |
| Special | 7,141,159 | 6,436,611 | 7,455,613 | 6,720,099 | 5,856,493 |
| Vocational | 2,014,296 | 2,056,785 | 2,066,921 | 1,915,200 | 1,900,644 |
| Adult | 0 | 0 | 0 | 0 | 10,023 |
| Support services: | | | | | |
| Pupil | 4,087,427 | 3,783,997 | 2,405,827 | 2,213,363 | 2,147,568 |
| Instructional staff | 4,703,188 | 3,864,448 | 2,602,693 | 2,507,374 | 2,408,701 |
| General administration | 87,785 | 87,785 | 72,804 | 68,186 | 64,511 |
| School administration | 5,090,831 | 4,921,046 | 4,533,642 | 4,223,811 | 3,907,607 |
| Fiscal | 1,311,298 | 1,267,825 | 1,146,340 | 1,055,891 | 1,011,803 |
| Business | 532,909 | 596,498 | 476,836 | 469,860 | 435,586 |
| Operations and maintenance | 8,058,321 | 7,675,041 | 7,913,706 | 6,695,399 | 6,355,384 |
| Pupil transportation | 3,567,960 | 3,916,466 | 3,351,247 | 3,101,010 | 4,151,188 |
| Central | 1,342,996 | 1,244,867 | 1,108,596 | 945,869 | 859,003 |
| Community services | 2,679,136 | 337,274 | 264,171 | 234,262 | 229,065 |
| Extracurricular activities | 1,405,292 | 830,573 | 818,258 | 737,598 | 682,375 |
| Capital outlay | 0 | 4,120 | 234,412 | 9,789 | 0 |
| Debt service | 1,228,722 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 |
| Total General Fund | <u>\$78,057,061</u> | <u>\$71,500,726</u> | <u>\$66,646,505</u> | <u>\$60,902,945</u> | <u>\$57,964,739</u> |

Source: Northwest Local School District financial records.

(1) Includes only the General Fund for modified accrual and all governmental activities for full accrual.

| 1998 Fiscal | 1997 Fiscal | 1996 Fiscal | 1995 Fiscal | 1994 Fiscal | 1993 Fiscal |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$27,347,120 | \$25,265,893 | \$24,092,149 | \$22,301,665 | \$21,317,232 | \$21,062,386 |
| 4,694,653 | 3,879,394 | 3,459,908 | 2,937,546 | 2,957,891 | 2,883,964 |
| 2,046,039 | 2,083,848 | 2,409,255 | 2,225,170 | 2,233,326 | 2,029,757 |
| 4,844 | 5,841 | 2,742 | 0 | 3,026 | 8,837 |
| 1,848,947 | 1,702,616 | 1,665,999 | 1,440,720 | 1,532,615 | 1,473,467 |
| 2,264,925 | 2,087,242 | 2,207,131 | 1,796,925 | 1,763,509 | 2,015,646 |
| 62,657 | 68,728 | 97,527 | 61,581 | 127,029 | 53,726 |
| 3,720,438 | 3,444,248 | 3,240,578 | 3,236,543 | 3,083,383 | 3,051,490 |
| 913,884 | 782,760 | 754,339 | 728,143 | 684,516 | 707,830 |
| 417,343 | 406,335 | 390,923 | 375,436 | 342,974 | 196,295 |
| 6,185,747 | 5,685,638 | 4,970,707 | 4,634,504 | 4,457,914 | 4,460,531 |
| 2,882,750 | 2,873,654 | 2,341,484 | 2,230,831 | 2,307,479 | 2,748,012 |
| 641,796 | 624,641 | 581,234 | 564,512 | 522,983 | 799,461 |
| 229,665 | 212,585 | 177,990 | 179,829 | 185,091 | 418,744 |
| 556,431 | 486,273 | 392,658 | 453,882 | 277,683 | 407,000 |
| 0 | 228,030 | 592,605 | 876,522 | 757,374 | 315,768 |
| 0 | 0 | 0 | 0 | 210,141 | 605,955 |
| 0 | 0 | 0 | 0 | 0 | 5,631 |
| <u>\$53,817,239</u> | <u>\$49,837,726</u> | <u>\$47,377,229</u> | <u>\$44,043,809</u> | <u>\$42,764,166</u> | <u>\$43,244,500</u> |

NORTHWEST LOCAL SCHOOL DISTRICT
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
1993 - 2002

| | 2002 Fiscal | | 2001 Fiscal | 2000 Fiscal | 1999 Fiscal |
|---------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Full Accrual | Modified Accrual | | | |
| Program Revenues | | | | | |
| Charges for services | \$1,908,466 | N/A | N/A | N/A | N/A |
| Operating grants and contributions | 5,094,519 | N/A | N/A | N/A | N/A |
| Capital grants and contributions | 360,516 | N/A | N/A | N/A | N/A |
| General Revenues | | | | | |
| Taxes | 39,197,785 | \$37,617,518 | \$34,574,697 | \$34,748,729 | \$37,918,458 |
| Revenue in lieu of taxes | 940,478 | 837,851 | 747,826 | 414,737 | 0 |
| Tuition | 0 | 1,004,932 | 652,988 | 821,371 | 464,028 |
| Earnings on investments | 627,818 | 619,818 | 1,304,978 | 1,089,943 | 831,628 |
| Unrestricted contributions | 218,261 | 0 | 0 | 0 | 0 |
| Intergovernmental | 30,986,081 | 31,082,398 | 28,529,759 | 25,843,339 | 23,311,757 |
| Other local revenues | 200,581 | 796,640 | 701,597 | 616,976 | 554,600 |
| Total Revenue | <u>\$79,534,505</u> | <u>\$71,959,157</u> | <u>\$66,511,845</u> | <u>\$63,535,095</u> | <u>\$63,080,471</u> |

Source: Northwest Local School District financial records.

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

| 1998 Fiscal | 1997 Fiscal | 1996 Fiscal | 1995 Fiscal | 1994 Fiscal | 1993 Fiscal |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| \$31,764,696 | \$27,680,535 | \$29,455,801 | \$26,030,758 | \$25,028,103 | \$23,522,561 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 283,451 | 487,996 | 419,735 | 498,422 | 367,956 | 380,337 |
| 1,033,108 | 743,572 | 780,927 | 637,204 | 274,923 | 208,482 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 20,194,194 | 19,337,128 | 19,222,784 | 18,912,722 | 18,541,824 | 18,451,752 |
| 1,254,388 | 630,702 | 572,568 | 481,579 | 481,861 | 607,806 |
| <u>\$54,529,837</u> | <u>\$48,879,933</u> | <u>\$50,451,815</u> | <u>\$46,560,685</u> | <u>\$44,694,667</u> | <u>\$43,170,938</u> |

NORTHWEST LOCAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS
1993 - 2002

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

Source: Hamilton County Auditor.

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

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

NORTHWEST LOCAL SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN COLLECTION (CALENDAR) YEARS (1)
 1993 - 2002

| Collection Year | Real Property | | Tangible Personal Property | |
|-----------------|-----------------|------------------------|----------------------------|------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 2002 | \$1,237,011,150 | \$3,534,317,571 | \$97,329,980 | \$389,319,920 |
| 2001 | 1,208,252,230 | 3,452,149,229 | 90,245,710 | 360,982,840 |
| 2000 | 1,208,116,000 | 3,451,760,000 | 95,055,550 | 380,222,200 |
| 1999 | 998,197,040 | 2,851,991,543 | 91,721,330 | 366,885,320 |
| 1998 | 979,857,920 | 2,799,594,057 | 93,311,490 | 373,245,960 |
| 1997 | 956,619,790 | 2,733,199,400 | 90,163,750 | 360,655,000 |
| 1996 | 908,569,530 | 2,595,912,943 | 84,885,450 | 339,541,800 |
| 1995 | 883,938,400 | 2,525,538,286 | 75,673,990 | 302,695,960 |
| 1994 | 837,599,440 | 2,393,141,257 | 72,536,430 | 290,145,720 |
| 1993 | 733,593,570 | 2,095,981,629 | 67,832,310 | 271,329,240 |

Source: Hamilton County Auditor.

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

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

| Public Utilities Personal | | Total | | |
|---------------------------|------------------------|-----------------|------------------------|-----------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Ratio (2) |
| \$37,730,740 | \$76,458,231 | \$1,372,071,870 | \$4,000,095,722 | 34.30% |
| 54,842,530 | 62,321,057 | 1,353,340,470 | 3,875,453,125 | 34.92% |
| 59,406,000 | 67,506,818 | 1,362,577,550 | 3,899,489,018 | 34.94% |
| 57,518,280 | 65,361,682 | 1,147,436,650 | 3,284,238,545 | 34.94% |
| 56,979,500 | 64,749,432 | 1,130,148,910 | 3,237,589,449 | 34.91% |
| 59,573,940 | 67,697,659 | 1,106,357,480 | 3,161,552,059 | 34.99% |
| 57,953,340 | 65,856,068 | 1,051,408,320 | 3,001,310,811 | 35.03% |
| 60,128,740 | 68,328,114 | 1,019,741,130 | 2,896,562,359 | 35.21% |
| 57,303,080 | 65,117,136 | 967,438,950 | 2,748,404,114 | 35.20% |
| 54,748,910 | 62,214,670 | 856,174,790 | 2,429,525,539 | 35.24% |

NORTHWEST LOCAL SCHOOL DISTRICT
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN COLLECTION (CALENDAR) YEARS
1993 - 2002

| | Tax Year | 2001 | 2000 | 1999 | 1998 |
|---------------------------------|-----------------|---------|---------|---------|---------|
| | Collection Year | 2002 | 2001 | 2000 | 1999 |
| Northwest Local School District | | \$47.80 | \$49.80 | \$50.13 | \$50.18 |
| Fairfield City | | 5.94 | 5.94 | 4.54 | 4.54 |
| Forest Park City | | 11.08 | 6.33 | 6.33 | 6.33 |
| North College Hill City | | 6.68 | 6.68 | 6.68 | 6.68 |
| Colerain Township | | 15.18 | 15.18 | 10.84 | 12.34 |
| Green Township | | 8.31 | 8.81 | 8.81 | 8.81 |
| Springfield Township | | 20.30 | 14.30 | 14.30 | 14.30 |
| Hamilton County | | 21.47 | 19.92 | 20.83 | 19.54 |

Source: Hamilton County Auditor.

| 1997 | 1996 | 1995 | 1994 | 1993 | 1992 |
|---------|---------|---------|---------|---------|---------|
| 1998 | 1997 | 1996 | 1995 | 1994 | 1993 |
| \$50.18 | \$43.15 | \$43.15 | \$43.18 | \$43.18 | \$43.22 |
| 4.54 | 4.54 | 4.54 | 4.25 | 4.25 | 4.25 |
| 6.33 | 6.33 | 6.33 | 6.33 | 6.32 | 6.32 |
| 6.68 | 6.68 | 4.88 | 4.88 | 4.88 | 4.88 |
| 12.34 | 12.34 | 12.34 | 12.34 | 12.34 | 12.34 |
| 8.81 | 8.81 | 8.81 | 7.06 | 7.06 | 7.04 |
| 14.30 | 13.30 | 13.30 | 12.30 | 12.30 | 12.30 |
| 19.01 | 19.44 | 18.30 | 18.33 | 18.56 | 17.50 |

NORTHWEST LOCAL SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBTS TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN COLLECTION (CALENDAR) YEARS
1993 - 2002

| Collection Year | Population (1) | Assessed Value (2) | Gross Bonded Debt | Less Debt Service Fund | Net Bonded Debt | Ratio of Net Bonded Debt To Assessed Value (%) | Estimated Net Bonded Debt Per Capita |
|-----------------|----------------|--------------------|-------------------|------------------------|-----------------|------------------------------------------------|--------------------------------------|
| 2002 | 85,875 | \$1,372,071,870 | \$23,790,000 | \$1,628,901 | \$22,161,099 | 1.62% | \$258 |
| 2001 | 85,875 | 1,353,340,470 | 24,200,000 | 1,517,390 | 22,682,610 | 1.68% | 264 |
| 2000 | 85,875 | 1,362,577,550 | 24,575,000 | 1,429,554 | 23,145,446 | 1.70% | 270 |
| 1999 | 67,373 | 1,147,436,650 | 24,910,000 | 1,070,537 | 23,839,463 | 2.08% | 354 |
| 1998 | 67,373 | 1,130,148,910 | 25,000,000 | 553,118 | 24,446,882 | 2.16% | 363 |
| 1997 | 67,373 | 1,106,357,480 | 0 | 38,134 | 0 | 0.00% | 0 |
| 1996 | 67,373 | 1,051,408,320 | 150,000 | 192,447 | 0 | 0.00% | 0 |
| 1995 | 67,373 | 1,019,741,130 | 300,000 | 253,490 | 46,510 | 0.00% | 1 |
| 1994 | 67,373 | 967,438,950 | 450,000 | 251,351 | 198,649 | 0.02% | 3 |
| 1993 | 67,373 | 856,174,790 | 600,000 | 248,334 | 351,666 | 0.04% | 5 |

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

(2) Hamilton County Auditor, calendar year basis.

NORTHWEST LOCAL SCHOOL DISTRICT
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 AS OF JUNE 30, 2002

| Governmental Unit | Gross General Obligation | Percent Applicable to District | Amount Applicable to District |
|-----------------------------------|-----------------------------|--------------------------------------|-------------------------------------|
| Direct: | | | |
| Northwest Local School District | \$23,790,000 | 100.00% | \$23,790,000 |
| Overlapping: | | | |
| Fairfield City | 11,995,000 | 0.02% | 2,399 |
| Forest Park City | 8,980,000 | 12.29% | 1,103,642 |
| North College Hill City | 1,148,481 | 1.21% | 13,897 |
| Colerain Township | 11,150,000 | 93.32% | 10,405,180 |
| Green Township | 1,028,588 | 28.12% | 289,239 |
| Fairfield Township | 2,743,535 | 0.67% | 18,382 |
| Springfield Township | 12,563,666 | 11.72% | 1,472,462 |
| Hamilton County | 140,300,000 | 7.91% | 11,097,730 |
| Butler County | 42,767,500 | 0.03% | 12,830 |
| Total Overlapping | 232,676,770 | | 24,415,761 |
| | | | |
| Total Direct and Overlapping Debt | \$256,466,770 | | \$48,205,760 |

Source: Ohio Municipal Advisory Council.

NORTHWEST LOCAL SCHOOL DISTRICT
 COMPUTATION OF LEGAL DEBT MARGIN
 AS OF JUNE 30, 2002

Assessed Valuation of District \$1,372,071,870

Overall Direct Debt Limitation

| | | |
|----------------------------------------|--------------|----------------------|
| Direct Debt Limitation | | |
| 9% of Assessed Valuation | | \$123,486,468 |
| Amount Available in Debt Service Fund | | 1,628,901 |
| Gross Indebtedness | \$23,790,000 | |
| Less: Debt Exempt from Limitation | <u>0</u> | |
| Debt Subject to 9% Limitation | | <u>(23,790,000)</u> |
| Legal Debt Margin Within 9% Limitation | | <u>\$101,325,369</u> |

Unvoted Direct Debt Limitation

| | | |
|------------------------------------------------------------------|----------|--------------------|
| Unvoted Debt Limitation | | |
| 0.1% of Assessed Valuation | | \$1,372,072 |
| Amount Available in Debt Service Fund Related to Unvoted Debt | | 0 |
| Gross Indebtedness Authorized by the Board | 0 | |
| Less: Debt Exempt from Limitation | <u>0</u> | |
| Debt Subject to 0.1% Limitation | | <u>0</u> |
| Legal Debt Margin Within 0.1% Limitation | | <u>\$1,372,072</u> |

Energy Conservation Bond Limitation

(Ohio Revised Code Section 133.042)

| | | |
|------------------------------------------------------|--|---------------------|
| Debt Limitation | | |
| 0.9% of Assessed Valuation | | \$12,348,647 |
| Energy Conservation Notes Authorized by the Board | | 0 |
| Legal Debt Margin Within 0.9% Limitation | | <u>\$12,348,647</u> |

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES (1)
LAST TEN FISCAL YEARS
1993 - 2002

| Fiscal Year | Principal | Interest and Fiscal Charges | Total Debt Service | Total General Expenditures | Ratio of Debt Service to General Expenditures (%) |
|-------------|-----------|-----------------------------|--------------------|----------------------------|---------------------------------------------------|
| 2002 | \$410,000 | \$1,230,133 | \$1,640,133 | \$71,500,726 | 2.29% |
| 2001 | 375,000 | 1,246,213 | 1,621,213 | 66,646,505 | 2.43% |
| 2000 | 335,000 | 1,260,445 | 1,595,445 | 60,902,945 | 2.62% |
| 1999 | 362,890 | 1,302,903 | 1,665,793 | 57,964,739 | 2.87% |
| 1998 | 259,533 | 889,653 | 1,149,186 | 53,817,239 | 2.14% |
| 1997 | 396,830 | 42,594 | 439,424 | 49,837,726 | 0.88% |
| 1996 | 384,749 | 64,416 | 449,165 | 47,377,229 | 0.95% |
| 1995 | 318,490 | 77,737 | 396,227 | 44,043,809 | 0.90% |
| 1994 | 150,000 | 32,479 | 182,479 | 42,764,166 | 0.43% |
| 1993 | 150,000 | 38,813 | 188,813 | 43,244,500 | 0.44% |

Source: Northwest Local School District records.

(1) Includes General Fund only.

NORTHWEST LOCAL SCHOOL DISTRICT
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS
 1993 - 2002

| Fiscal Year | Population (1) | Average Federal Adjusted Gross Income (2) | School Enrollment (3) | Unemployment Rate (4) |
|-------------|----------------|-------------------------------------------|-----------------------|-----------------------|
| 2002 | 85,875 | Unavailable | 10,504 | 7.20% |
| 2001 | 85,875 | Unavailable | 10,510 | 3.90% |
| 2000 | 85,875 | 46,551 | 10,465 | 3.10% |
| 1999 | 67,373 | 44,375 | 10,446 | 3.20% |
| 1998 | 67,373 | 42,625 | 10,488 | 3.20% |
| 1997 | 67,373 | 39,350 | 10,544 | 3.20% |
| 1996 | 67,373 | 37,450 | 10,664 | 4.10% |
| 1995 | 67,373 | 35,380 | 10,483 | 4.30% |
| 1994 | 67,373 | 34,090 | 10,476 | 4.30% |
| 1993 | 67,373 | 32,616 | 10,436 | 5.40% |

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

NORTHWEST LOCAL SCHOOL DISTRICT
 CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
 LAST TEN COLLECTION (CALENDAR) YEARS
 1993 - 2002

| Fiscal Year | Construction | Bank Deposits (1) (000's) | Real Property Values (2) |
|-------------|--------------|------------------------------|--------------------------|
| 2002 | \$18,350,600 | \$133,025,841 | \$1,237,011,150 |
| 2001 | 15,525,000 | 76,137,192 | 1,208,252,230 |
| 2000 | 18,475,210 | 41,302,569 | 1,208,116,000 |
| 1999 | 23,015,000 | 23,939,085 | 998,197,040 |
| 1998 | 19,212,460 | 18,070,437 | 979,857,920 |
| 1997 | 21,586,570 | 21,598,936 | 956,619,790 |
| 1996 | 21,569,220 | 19,276,655 | 908,569,530 |
| 1995 | 27,398,366 | 17,301,493 | 883,938,400 |
| 1994 | 16,155,030 | 20,249,023 | 837,599,440 |
| 1993 | 12,642,610 | 13,274,239 | 733,593,570 |

Source:

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

(2) Hamilton County Auditor.

NORTHWEST LOCAL SCHOOL DISTRICT
 REAL AND TANGIBLE PERSONAL PROPERTY
 TOP TEN PRINCIPAL TAXPAYERS
 AS OF JUNE 30, 2002

| Name of Taxpayer | Real Property | Personal Property | Total Assessed Valuation | Percent of Total Assessed Valuation (1) |
|-------------------------------------|---------------------|---------------------|--------------------------|-----------------------------------------|
| Cincinnati Gas and Electric Company | \$26,720,940 | \$0 | \$26,720,940 | 1.95% |
| Northgate Partners LLC | 25,324,260 | 0 | 25,324,260 | 1.85% |
| Procter and Gamble Company | 5,631,150 | 14,875,910 | 20,507,060 | 1.49% |
| KIR Colerain LLC | 9,622,570 | 0 | 9,622,570 | 0.70% |
| Home Depot USA Inc. | 4,171,800 | 5,235,490 | 9,407,290 | 0.69% |
| Cincinnati Bell | 9,317,800 | 0 | 9,317,800 | 0.68% |
| Rumpke Container Service | 5,259,390 | 4,048,930 | 9,308,320 | 0.68% |
| Cobblewood Plaza | 6,181,630 | 0 | 6,181,630 | 0.45% |
| Mercantile Stores | 3,115,010 | 1,653,780 | 4,768,790 | 0.35% |
| Sears Roebuck & Company | 2,976,930 | 1,789,640 | 4,766,570 | 0.35% |
| Total | <u>\$98,321,480</u> | <u>\$27,603,750</u> | <u>\$125,925,230</u> | 9.19% |

Source: Hamilton County Auditor.

(1) The assessed valuation of the Northwest Local School District totaled for collection (calendar) year 2001.

NORTHWEST LOCAL SCHOOL DISTRICT
 NORTHWEST LOCAL SCHOOL DISTRICT AREA
 TEN LARGEST EMPLOYERS
 AS OF JUNE 30, 2002

| Employer | Nature of Business | Number of Employees |
|--------------------------------------|--------------------------|---------------------|
| Northwest Local School District | Public Education | 1,326 |
| Northgate Mall | Retail | 1,125 |
| Procter and Gamble Company | Research and Development | 1,100 |
| Rumpke Container Service | Sanitation and Landfill | 785 |
| Kroger | Retail | 485 |
| Clippard Instrument Lab Incorporated | Manufacturing | 252 |
| Walmart | Retail | 230 |
| Thriftway | Retail | 170 |
| United States Postal Office | Postal Service | 130 |
| Joseph Chevrolet | Automobile Retail | 105 |

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT
 COST TO EDUCATE A 2001 GRADUATE
 1990 - 2002

| School Year (1) | Grade | Annual Per Pupil Cost (2) |
|-----------------|-------|---------------------------|
| 1990 | K | \$1,846 |
| 1991 | 1 | 3,965 |
| 1992 | 2 | 4,219 |
| 1993 | 3 | 4,391 |
| 1994 | 4 | 4,243 |
| 1995 | 5 | 4,508 |
| 1996 | 6 | 4,708 |
| 1997 | 7 | 5,462 |
| 1998 | 8 | 5,929 |
| 1999 | 9 | 6,399 |
| 2000 | 10 | 6,539 |
| 2001 | 11 | 7,129 |
| 2002 | 12 | 7,504 |
| | | <u>\$66,842</u> |

Source:

Northwest Local School District records.

- (1) School year is from July 1 through June 30.
- (2) Annual per pupil cost for all years except Kindergarten where amount is one-half annual per pupil cost. Annual cost per pupil on a cash basis.

NORTHWEST LOCAL SCHOOL DISTRICT
NUMBER OF TEACHERS: EDUCATION AND YEARS OF EXPERIENCE
AS OF JUNE 30, 2002

| Education | Number of Teachers | Percentage of Total |
|---------------------------------------|--------------------|---------------------|
| Bachelor's Degree | 139 | 20.38% |
| Bachelor's Degree + 15 Semester Hours | 184 | 26.98% |
| Master's Degree | 155 | 22.73% |
| Master's Degree + 15 Semester Hours | 90 | 13.20% |
| Master's Degree + 30 Semester Hours | 35 | 5.13% |
| Master's Degree + 45 Semester Hours | 79 | 11.58% |
| Total Number of Teachers | <u>682</u> | <u>100.00%</u> |

| Experience | Number of Teachers | Percentage of Total |
|--------------------------|--------------------|---------------------|
| 0 - 5 years | 219 | 32.11% |
| 6 - 10 years | 120 | 17.60% |
| 10 + years | 343 | 50.29% |
| Total Number of Teachers | <u>682</u> | <u>100.00%</u> |

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT
 SCHOOL PARTNERSHIP PROGRAM PARTICIPANTS
 AS OF JUNE 30, 2002

| <u>SCHOOL</u> | <u>BUSINESS PARTNER</u> |
|-----------------------------------|--------------------------------------------------------------------------------------------|
| Bevis Elementary School | Nolte Precise Manufacturing, Inc. Outback Steakhouse |
| Colerain Elementary School | Cincinnati Financial Corporation Biggs Supermarket |
| Colerain Middle School | Cincinnati Financial Corporation |
| Colerain Senior High School | Cincinnati Financial Corporation Northwest Employees Credit Union Old Country Buffet |
| Colerain Career Center | Home Depot |
| Houston Elementary School | Joseph Chevrolet Biggs Supermarket |
| Monfort Heights Elementary School | Caldwell Banker / West Shell Realtors Sur-Seal White Oak Kiawanis |
| Northwest Senior High School | Huber General Contracting Baker Concrete |
| Pleasant Run Elementary School | Star One Realty Lo Bill Foods |
| Pleasant Run Middle School | Rumpke Waste Incorporated |
| Struble Elementary School | Union Central Life Insurance Company Winton Savings and Loan |
| Taylor Elementary School | McDonalds's Restaurants Staples |
| Weigel Elementary School | La Fary's IGA Foodliner Northgate Mall |
| Welch Elementary School | Fifth Third Bank, Forest Park Branch MetLife Financial Services |
| White Oak Middle School | Hart & Gersbach, CPA |
| Preschool Program | Border's Books |

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT
 TEN-YEAR ENROLLMENT PROJECTIONS
 FOR FISCAL YEARS 2003 - 2012

| Grade | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| K | 807 | 852 | 886 | 812 | 852 | 896 | 812 | 852 | 896 | 812 |
| 1 | 698 | 686 | 724 | 762 | 690 | 724 | 762 | 690 | 724 | 762 |
| 2 | 735 | 663 | 679 | 717 | 754 | 683 | 717 | 754 | 683 | 717 |
| 3 | 728 | 728 | 656 | 672 | 710 | 746 | 676 | 710 | 746 | 676 |
| 4 | 740 | 728 | 728 | 656 | 672 | 710 | 746 | 676 | 710 | 746 |
| 5 | 762 | 747 | 735 | 735 | 662 | 678 | 717 | 753 | 682 | 717 |
| 6 | 893 | 800 | 784 | 771 | 772 | 695 | 712 | 752 | 791 | 716 |
| 7 | 877 | 893 | 800 | 784 | 771 | 772 | 695 | 712 | 752 | 791 |
| 8 | 886 | 894 | 910 | 816 | 799 | 786 | 787 | 709 | 726 | 767 |
| 9 | 1,005 | 908 | 983 | 1,001 | 898 | 879 | 865 | 866 | 780 | 799 |
| 10 | 997 | 1,005 | 908 | 983 | 1,001 | 898 | 879 | 865 | 866 | 780 |
| 11 | 727 | 997 | 1,005 | 908 | 983 | 1,001 | 898 | 879 | 865 | 866 |
| 12 | 623 | 553 | 758 | 764 | 690 | 747 | 761 | 682 | 668 | 657 |
| Total | <u>10,478</u> | <u>10,454</u> | <u>10,556</u> | <u>10,381</u> | <u>10,254</u> | <u>10,215</u> | <u>10,027</u> | <u>9,900</u> | <u>9,889</u> | <u>9,806</u> |

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT
 SCHEDULE OF INSURANCE POLICIES
 AS OF JUNE 30, 2002

| Company | Policy Number | Policy Period |
|------------------------------|----------------|-------------------------|
| Cincinnati Insurance Company | CPP-551-38-53 | 04/10/00 thru 4/10/2005 |
| Cincinnati Insurance Company | CPP-501-38-53 | 04/10/00 thru 4/10/2005 |
| Cincinnati Insurance Company | CPP-551-38-53 | 04/10/00 thru 4/10/2005 |
| Cincinnati Insurance Company | CPP-551-38-53 | 04/10/00 thru 4/10/2005 |
| Nationwide Insurance Company | EGL-0007783 | 01/10/02 thru 01/10/03 |
| Nationwide Insurance Company | EUL-0007783 | 01/10/02 thru 01/10/03 |
| Nationwide Insurance Company | 0838-00-007783 | 07/10/01 thru 07/10/02 |

Source: Northwest Local School District records.

| Details of Coverage | Liability Limits | Deductible | Annual Premium |
|-----------------------------------------|-----------------------------------------------------|------------|----------------|
| Buildings and Contents | \$86,417,996 | \$2,500 | \$67,386 |
| Earthquake | 86,417,996 | 5.0% | |
| Radio & Communication Equipment | 70,000 | 250 | |
| Electronic Data Equipment | 2,000,000 | 2,500 | |
| Boiler and Machinery | 9,000,000 | 2,500 | |
| Burglary and Theft (blanket) | 50,000 | None | |
| Theft (inside) | 10,000 | | |
| Theft (outside) | 5,000 | | |
| Mobile Instruction Unit (Vans) Contents | 60,000 | 500 | |
| Education Liability | 1,000,000 Per Incident 5,000,000 Aggregate | None | 32,150 |
| Umbrella Liability | 2,000,000 Per Incident 2,000,000 Aggregate | None | 15,999 |
| Fleet | 2,000,000 | 1,000 | 60,396 |

NORTHWEST LOCAL SCHOOL DISTRICT
 TRANSPORTATION STATISTICS
 AS OF JUNE 30, 2002

| | |
|--------------------------------------------|-----------|
| Number of Assigned School Buses in Fleet: | 100 |
| Average Age of School Buses in Fleet: | 7.6 years |
| Number of Bus Drivers: | 84 |
| Average Number of Years Experience: | 10 |
| Number of Miles Driven Per Day: | 5,374 |
| Number of Miles Driven Annually: | 967,320 |
| Average Annual Miles per Bus: | 11,516 |
| Number of Students Transported per Day: | |
| Public School Students | 6,351 |
| Non-Public School Students | 3,156 |
| Handicapped Students | 166 |
| Preschool Students | 53 |
| Total: | 9,726 |
| Number of Students Transported per Year: | 1,750,680 |
| Percent of Student Enrollment Transported: | |
| Public | 65% |
| Non-Public | 32% |
| Other | 3% |

Source: Northwest Local School District records.

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

(513) 923-1000

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



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

NORTHWEST LOCAL SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 11, 2003**