



**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 EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$170,126	\$0	\$170,126
National School Breakfast Program	05-PU	10.553	77,007		77,007	
National School Lunch Program	LL-P4	10.555	790,960		790,960	
Child/Adult Food Program	21-FP	10.558	2,858		2,858	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>870,825</u>	<u>170,126</u>	<u>870,825</u>	<u>170,126</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF	84.027	1,263,144		1,347,712	
Special Education - Preschool Grant	PG-S1	84.173	34,707		34,707	
Total Special Education Cluster			<u>1,297,851</u>	<u>0</u>	<u>1,382,419</u>	<u>0</u>
Grants to Local Educational Agencies (ESEA Title I)	C1-S1	84.010	1,144,599		1,034,732	
Vocational Education Basic Grants to State	20-C1	84.048	178,465		187,688	
Drug-Free Schools Grant	DR-S1	84.186	44,580		40,498	
Innovative Education Program Grant	C2-S1	84.298	95,720		80,560	
Technology Literacy Challenge	TJ-S1	84.318	29,259		19,500	
Assistive Technology Grant	AT-S2	84.352A	0		5,314	
Title III LEP	T3-S1	84.365	29,003		35,748	
Title II	TR-S1	84.367	358,134		349,540	
OCIS Awareness	DE-00	84.346	4,394		4,470	
Total Department of Education			<u>1,884,154</u>	<u>0</u>	<u>1,758,050</u>	<u>0</u>
<b>Totals</b>			<u><u>\$4,052,830</u></u>	<u><u>\$170,126</u></u>	<u><u>\$4,011,294</u></u>	<u><u>\$170,126</u></u>

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

**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004**

**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 – CHILD NUTRITION CLUSTER**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

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



## **Auditor of State Betty Montgomery**

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2004. 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 tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the District's management in a separate letter dated December 17, 2004.

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

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions 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 another matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to the District's management in a separate letter dated December 17, 2004.

Northwest Local School District  
Hamilton County  
Independent Accountants' Report 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, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

December 17, 2004





## Auditor of State Betty Montgomery

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

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

To the Board of Education:

#### Compliance

We have audited the compliance of 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, 2004. 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 each of its major federal programs is 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 each of its major federal programs for the year ended June 30, 2004.

#### 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.

### **Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 17, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

December 17, 2004

**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2004**

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

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under § .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	CFDA #84.027, 84.173 Special Education Cluster CFDA #84.367 Improving Teacher Quality
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: All other programs
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None



***NORTHWEST LOCAL SCHOOL DISTRICT***

***CINCINNATI, OHIO***

***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

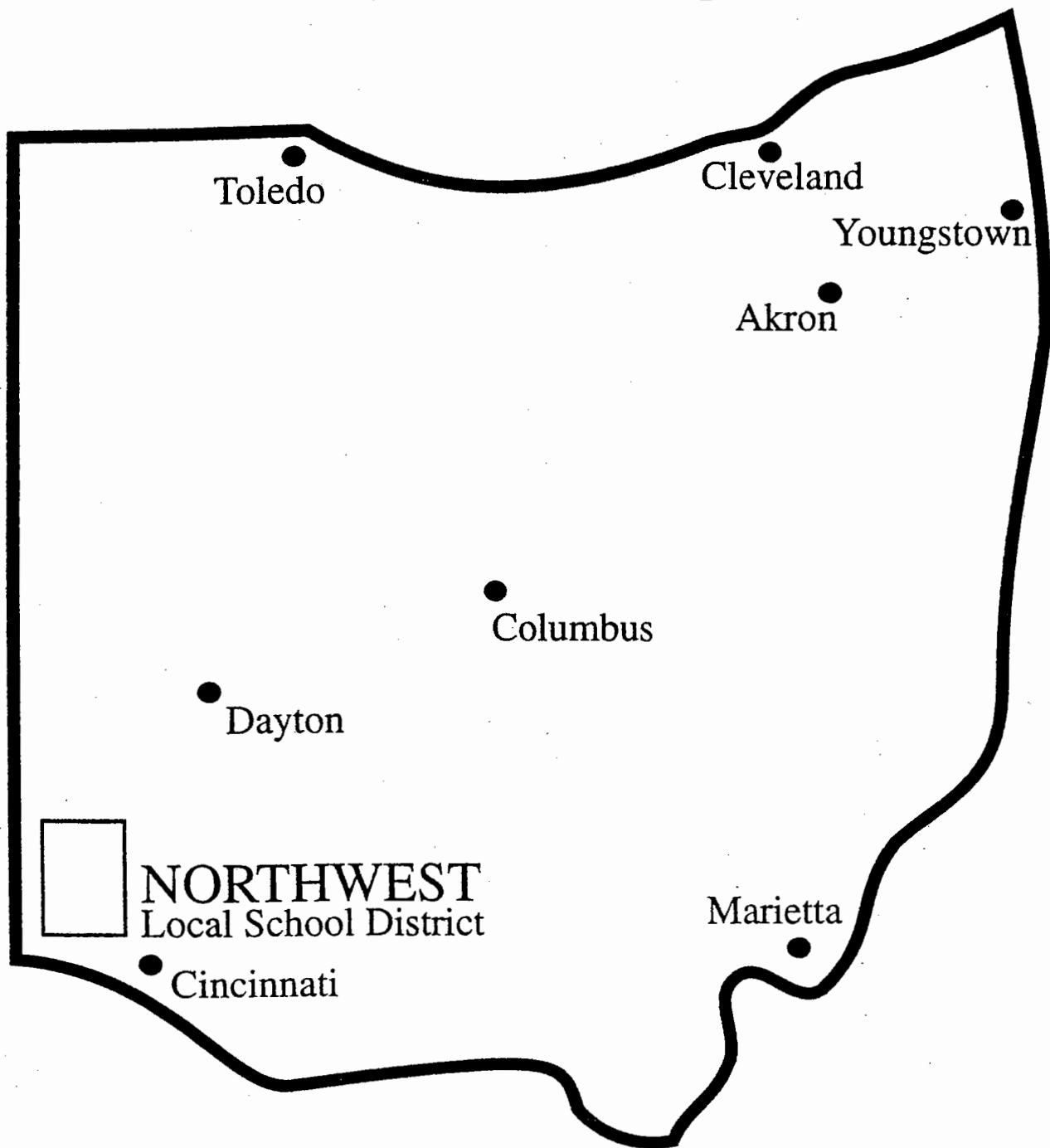
***FOR THE FISCAL YEAR ENDED JUNE 30, 2004***

*Prepared by:*  
*Office of the Treasurer*

*Randy L. Seymour*  
*Treasurer*



# OHIO



Toledo

Cleveland

Youngstown

Akron

Columbus

Dayton

**NORTHWEST**  
Local School District

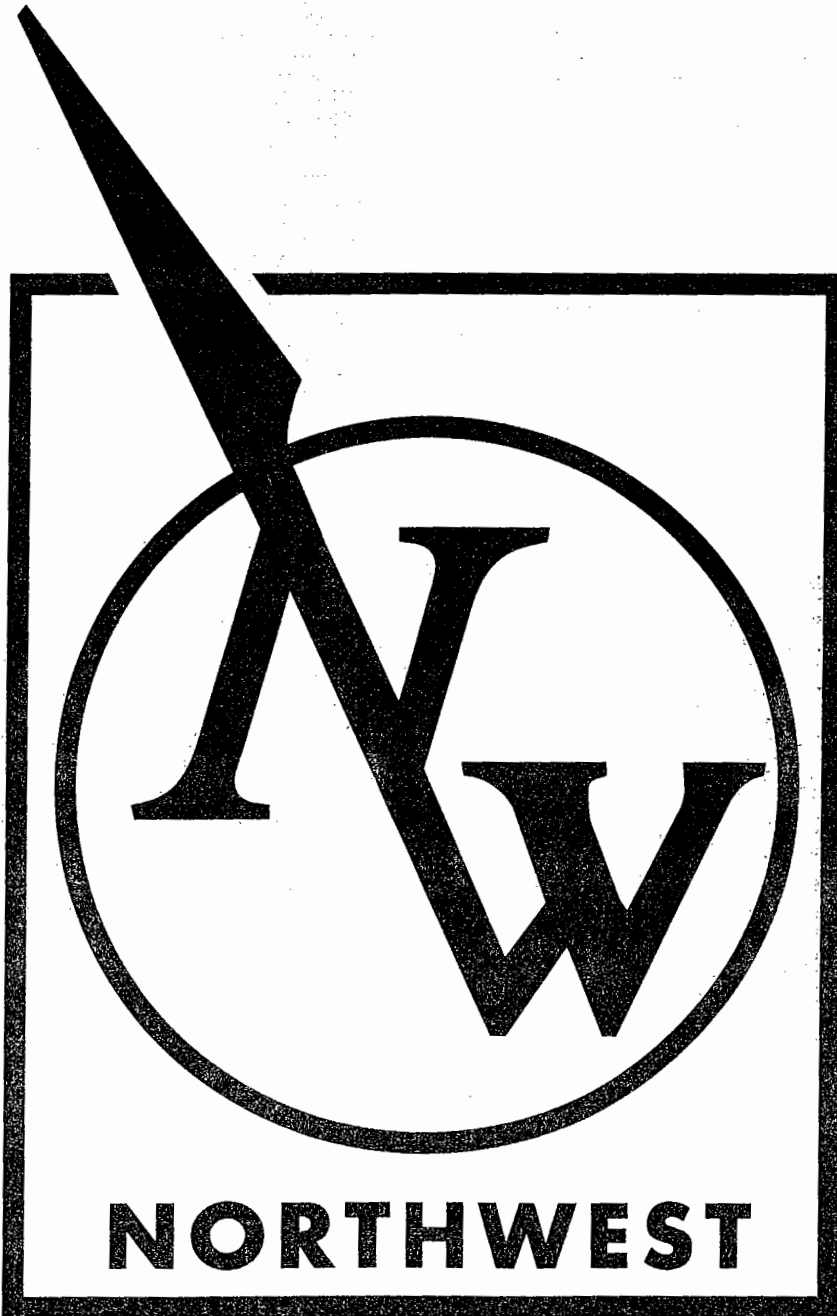
Cincinnati

Marietta





# **Introductory Section**



**Northwest Local  
School District**



**NORTHWEST LOCAL SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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**NORTHWEST LOCAL SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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# NORTHWEST LOCAL SCHOOL DISTRICT

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

## BOARD MEMBERS

*James F. Lay - President*  
*Pamela L. Detzel - Vice President*  
*Dr. Christopher Heather - Member*  
*Frederick E. Hunt, III - Member*  
*Karen Sims - Member*

*Dr. Kathryn Hellweg - Superintendent*  
*Randy L. Seymour - Treasurer*

*December 17, 2004*

### *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, 2004, 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, 2003 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 career technical levels; a broad range of cocurricular and extracurricular activities; adult and community education offerings; special education programs and facilities; and community recreational facilities.

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

are: 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 10,647 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, 2004 Enrollment</i>
1923	Colerain Elementary 4850 Poole Road	689
1932	Colerain Middle School 4700 Poole Road	718
1959	Struble Elementary 2760 Jonrose Ave.	377
1960	Taylor Elementary 3173 Springdale Road	527



<i>Constructed</i>	<i>School/Address</i>	<i>October, 2004 Enrollment</i>
1961	White Oak Middle School 3130 Jessup Road	807
1961	Pleasant Run Elementary 11765 Hamilton Ave.	522
1964	Colerain High School 8801 Cheviot Road	2,176
1965	Weigel Elementary 3242 Banning Road	480
1966	Houston Elementary 3310 Compton Road	479
1969	Pleasant Run Middle 11770 Pippin Road	993
1970	Bevis Elementary 10133 Pottinger Road	496
1972	Northwest High School 10761 Pippin Road	1,235
1977	Welch Elementary 12084 Deerhorn Drive	357
2000	Monfort Heights Elementary 3711 West Fork Road	791

***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, 2004, were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Pam Detzel	January, 1998	December, 2005	Administrative Assistant
Christopher Heather	January, 2001	December, 2005	Entrepreneur
Susan Mosley-Howard	January, 1997	December, 2005	Professor
James Lay	January, 1994	December, 2007	Consultant
Rick Stewart	January, 1992	December, 2007	Minister

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

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

### ***EMPLOYEE RELATIONS***

The District currently has approximately 1,272 full-time and 73 part-time employees. The number of employees has been steady for the last several years. During the 2004 fiscal year, the District paid, from its General Fund \$50,118,397 in salaries and wages, and \$12,970,636 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 three year collective bargaining agreement with NAE which expires August 31, 2006. The District's transportation employees are represented for collective bargaining purposes by the Ohio Association of Public School Employees [OAPSE]. The District has a three year collective bargaining agreement with OAPSE which expires June 30, 2006.

## ***SERVICES PROVIDED***

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

Transportation is provided for over 9,000 students each day. The District fleet of 85 buses travels over 5,900 miles each day transporting to 28 different sites. In addition to making more than 562 daily runs, the department transported both public and non-public students on 1,839 extra-curricular trips during the year.

The food service department served 947,129 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 and two middle school 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 606 students in the specific trades through career technical education. Over 1,279 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 236 students participated in the gifted program. The District presented 662 high school diplomas in 2004.

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

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

### **Mission**

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

### **Vision**

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

### Beliefs

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

### CHALLENGES FOR 2004-2005 AND BEYOND

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

### DISTRICT GOALS FOR 2004-2005

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

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

Continue using engaged learning strategies in every classroom.

Expand academic intervention/enrichment programs.

Implement high quality research based programs and classroom instructional strategies to ensure excellence and equity for all students.

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

Ensure a respectful classroom for all students

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

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

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

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

*Goal 4: Implement high achieving middle schools.*

Implement middle school redesign in grades 6, 7 and 8 based on the components of high achieving middle schools.  
Continue to communicate the tenets of effective middle schools and the implementation plan with the Board, school staff, parents and the community.

## **CURRICULUM AND INSTRUCTION**

The focus of the District continues to be improving student achievement through our slogan of Believe! Achieve! Succeed!

Curriculum work centers around student proficiency on state academic content standards in mathematics, English language arts, social studies and science. All work is organized by a two-year process of Year 1: knowing and planning with the academic content standards and Year 2: teaching and assessing with the academic content standards. During the 2003-2004 school year, K-10 teachers were involved in the knowing and planning phase for social studies and science and in the teaching and assessing phase for mathematics and English language arts.

During the knowing and planning phase, Instructional Specialists guide district-wide teams through a series of activities that promote discussion of what the academic content standards mean in terms of student learning in their classrooms. The teams then develop a quarterly curriculum map to be used district-wide. During the teaching and assessing phase, the curriculum map is implemented in the classroom and district-wide assessments are developed by teachers for instruction. Remediation and enrichment occurs around the content of these standards.

A number of programs have been implemented to assist students in their learning of the academic content standards, particularly in the areas of reading and mathematics. The elementary buildings have implemented Dynamic Indicators Basic Early Literary Skills testing with its accompanying intervention techniques. During the 2003-2004 school year, they implemented the comprehensive literacy approach to language arts instruction. This approach involved assessing all students' instructional reading levels and leveling student readers and trade books. The majority of the professional development work at the elementaries, during 2003-2004, centered around comprehensive literacy.

The middle schools began a redesign process, during 2002-2003, with a study of “Best Practices” from the National Middle School Association. During the 2003-2004 school year, these practices were put into place in the sixth grade of each middle school. Plans were also developed for 7<sup>th</sup> and 8<sup>th</sup> grades implementation in all middle schools. Components of the redesign essential to improving student achievement are the academic enrichment bell, extending language arts and extending math classes. During the academic enrichment bell, students receive remediation or enrichment on specific reading and mathematics content objectives. During extending language arts and extending math classes, students, who are most at risk, are served with special programming in smaller classes.

The high schools have refined their block scheduling program to provide more time for some students to accomplish the challenging standards necessary for passage of the Ohio Graduation Test. Collaboratives, academies and peer support are in place to provide necessary intervention for ninth and tenth graders. Career Technology teachers are joining their main building colleagues in teaching reading and vocabulary strategies within their content areas.

Elementary and middle schools provide extended learning opportunities to over 1,000 students prior to the March state testing date. These programs, taught by district personnel, focus on district-wide areas of weakness in grades 3-6. A combination of local, state and federal funds were used to support these programs.

The District is focused on its goal of improving student achievement. It continues to evaluate the programming needs of its diverse population with the goal of becoming an excellent District through *believing, achieving and succeeding!*

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

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

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

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

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

## ***FINANCIAL INFORMATION***

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

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

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

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

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

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

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

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

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

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

## ***FINANCIAL CONDITION***

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

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

***Fund financial statements*** These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. 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 report, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2004 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 \$273,267 for the year ended June 30, 2004.

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 Harcum Schuett Insurance Company provides our liability insurance and insures our fleet of vehicles.

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

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

### ***INDEPENDENT AUDIT***

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

### ***AWARDS***

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

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2003. 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

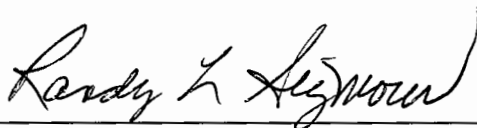
Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2003. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2004, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

### ***ACKNOWLEDGEMENTS***

The preparation of the 2004 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the District's Finance Department and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,

A handwritten signature in cursive script that reads "Randy L. Seymour". The signature is written in black ink and is positioned above a horizontal line.

Randy L. Seymour  
Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Northwest Local School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

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.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

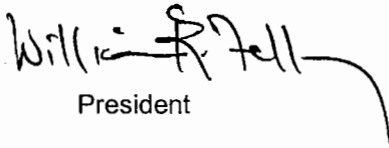


This Certificate of Excellence in Financial Reporting is presented to

**Northwest Local School District**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2003

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

  
President

  
Executive Director

**LIST OF PRINCIPAL OFFICIALS**  
*As of June 30, 2004*

**ELECTED OFFICIALS**

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

**ADMINISTRATIVE OFFICE PERSONNEL**

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

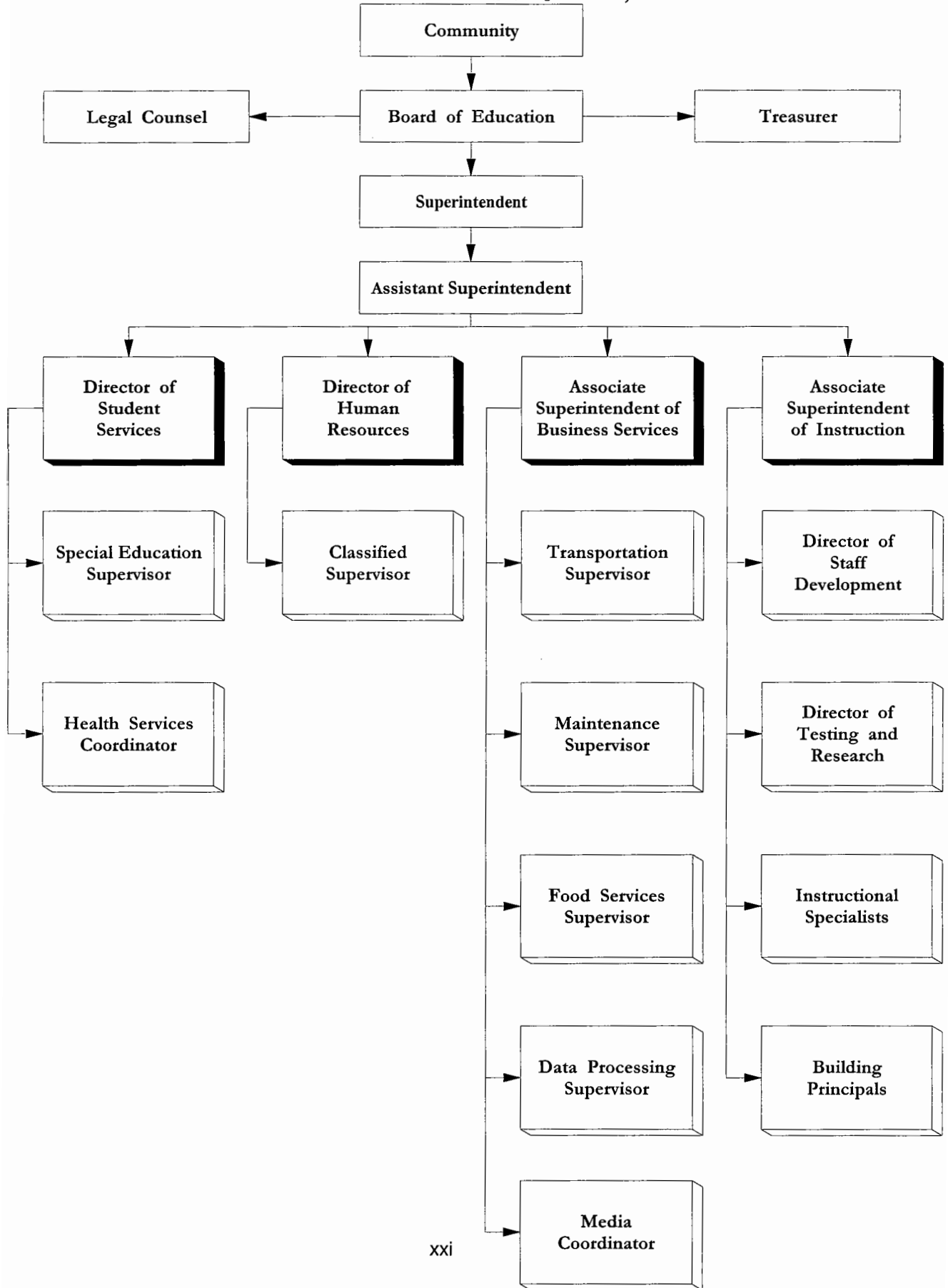
**DISTRICT SUPERVISORS**

Andreas Scheidt ..... Maintenance  
Robert Engel ..... Transportation  
LaDonna Stouder ..... Technology  
Mary Barnaclo ..... Special Education  
Kimberly Jones ..... Special Education  
Barbara Kalbli ..... Special Education  
Mary Jo Pfaffinger ..... Systems Manager/Data Processing  
Cheryl Chancey Romans ..... Food Service  
Grace Seurkamp ..... Classified Employees

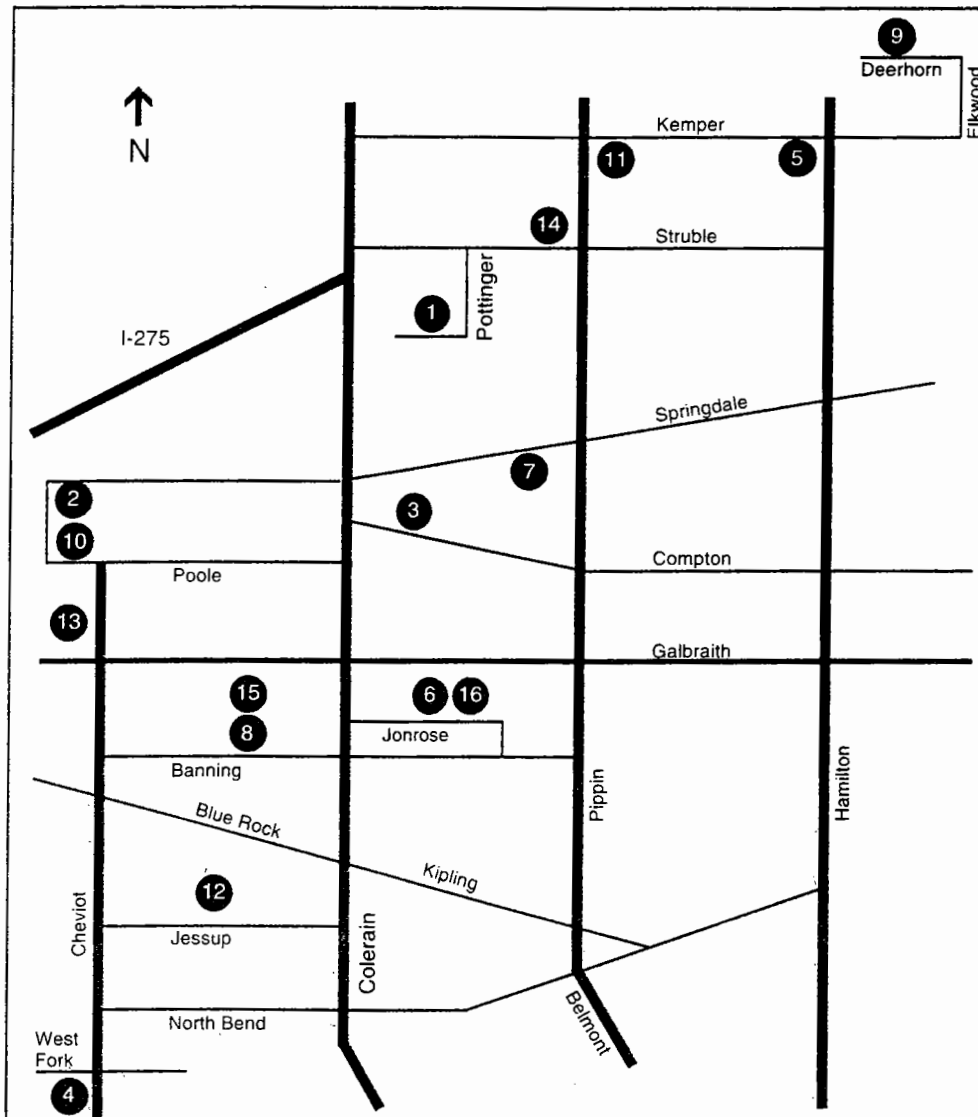
***CURRICULUM INSTRUCTIONAL SPECIALISTS AND COORDINATORS***

Diane Adams .....	Elementary
Jenny Blust .....	Title I
Karen Burke.....	Elementary
Patricia Coon-Knochelmann .....	Elementary
Erin Davidson .....	Elementary
Linda Dawes .....	Elementary
Reena Fish .....	Work-Study
Lori Friedman .....	Technology
Lynda Fritz.....	Health Services
Barbara Hill .....	Early Childhood
Jennifer Klein .....	Middle
Kelli Kocheck .....	Elementary
Paul Lorenz.....	Career and Technical
Monica Mitter .....	Senior High
Emily O’Mahoney-Higgins .....	Elementary
Therese Prysock.....	Middle
Kris Rojas .....	Gifted
Hugh Schaffer .....	Audio Visual
Lani Wildow .....	Senior High

**NORTHWEST LOCAL SCHOOL DISTRICT  
ORGANIZATIONAL CHART AS OF JUNE 30, 2004**



## SCHOOL DISTRICT MAP



### Northwest Directory

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



**CONSULTANTS AND ADVISORS**  
*As of June 30, 2004*

**ASBESTOS**

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

**ARCHITECTS**

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

**BOND COUNSEL**

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

**FINANCIAL REPORTING**

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

**INDEPENDENT AUDITOR**

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

**LEGAL COUNSEL**

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

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

*(continued)*

**CONSULTANTS AND ADVISORS**  
*As of June 30, 2004 (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*

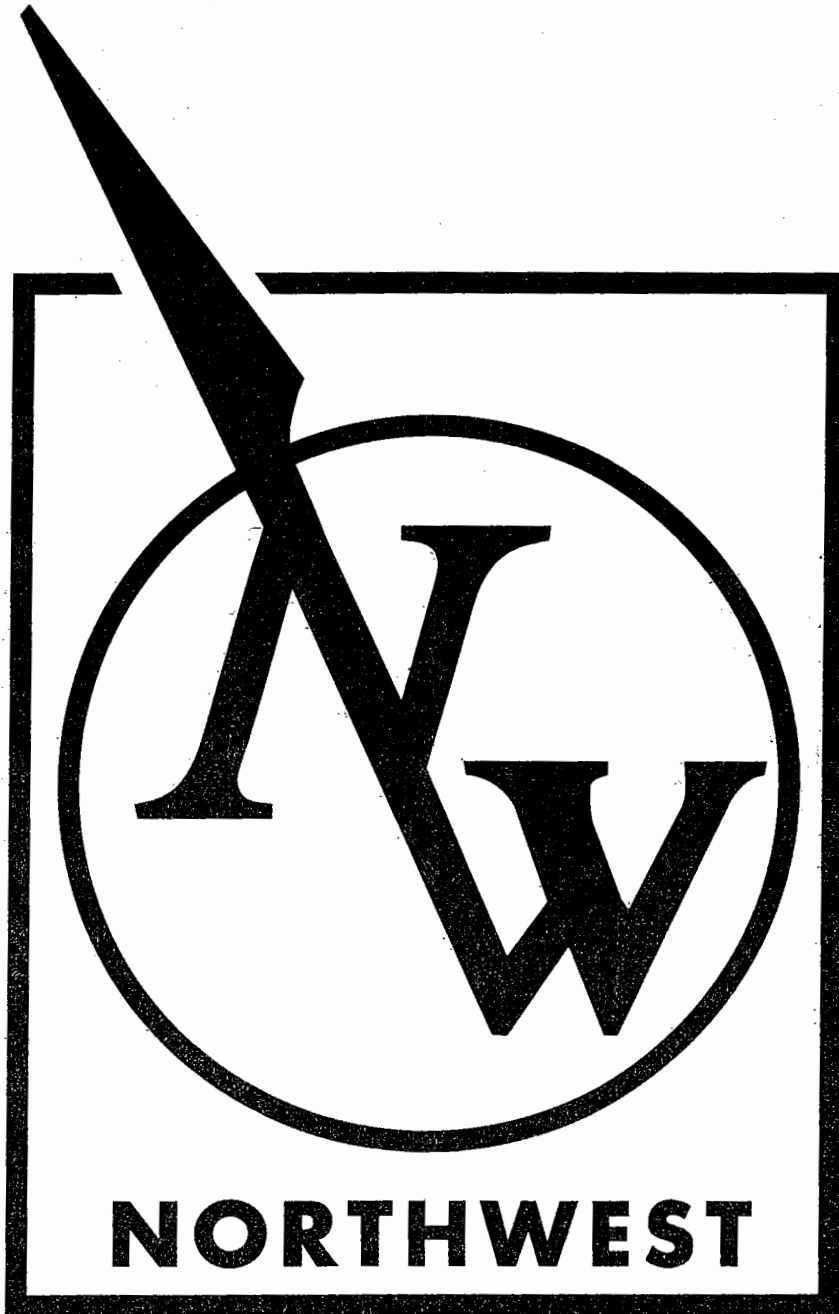
**PROFESSIONAL NEGOTIATORS**

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

**WORKERS' COMPENSATION**

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

**Financial  
Section**



**Northwest Local  
School District**





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Northwest Local School District, Hamilton County, Ohio, as of June 30, 2004, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note Q, for the fiscal year ended June 30, 2004, the District reclassified activity formerly reported in the enterprise funds and as a business type activity to special revenue funds and governmental activity.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

88 E. Broad St. / P.O. Box 1140 / Columbus, OH 43216-1140  
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund statements and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual non-major fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical 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

December 17, 2004

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2004  
(Unaudited)**

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The discussion and analysis of Northwest Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

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

**Financial Highlights**

Key financial highlights for 2004 are as follows:

- Total net assets of governmental activities decreased \$3.23 million which represents a twelve and six-tenths percent (12.6%) decrease from 2003.
- General revenues accounted for \$70.86 million in revenue or eighty-three and seven-tenths percent (83.7%) of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$13.86 million or sixteen and four-tenths percent (16.4%) of total revenues of \$84.72 million.
- Total assets of governmental activities increased by \$0.31 million and taxes receivable decreased by \$0.10 million while cash and other receivables increased by \$1.25 million.
- The District had \$87.96 million in expenses related to governmental activities; only \$13.86 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$70.86 million were not adequate to provide for these programs. The District used cash reserves to cover the deficiency.
- As the major fund, the General Fund had \$71.18 million in revenues and \$75.97 million in expenditures. The General Fund's fund balance decreased from \$20.64 to \$15.89 million.

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2004  
(Unaudited)**

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**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 2004?" 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.

In the Statement of Net Assets and the Statement of Activities, the District consists of Governmental activities which are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

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

*Fund Financial Statements*

The analysis of the District's major fund begins on page 13. 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 fund.



**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2004  
(Unaudited)**

---

**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.

**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 2003 compared to 2004:

Table 1  
Net Assets  
Restricted & Unrestricted

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2004</u>
Assets		
Current and Other Assets	\$55,603,045	\$56,758,633
Capital Assets	<u>27,956,254</u>	<u>27,108,966</u>
Total Assets	<u>83,559,299</u>	<u>83,867,599</u>
Liabilities		
Long-Term Liabilities	27,512,418	26,940,859
Other Liabilities	<u>30,439,953</u>	<u>34,552,285</u>
Total Liabilities	<u>57,952,371</u>	<u>61,493,144</u>
Net Assets		
Invested in Capital		
Assets Net of Debt	4,616,254	4,263,966
Restricted	3,208,243	4,996,925
Unrestricted	<u>17,782,431</u>	<u>13,113,564</u>
Total Net Assets	<u>\$25,606,928</u>	<u>\$22,374,455</u>

Total assets increased \$0.31 million. Equity in pooled cash and cash equivalents increased \$1.16 million. Taxes receivable decreased \$0.10 million. Total liabilities increased \$3.54 million, resulting in a net asset decrease of \$3.23 million.

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2004  
(Unaudited)**

Table 2 shows the change in net assets for fiscal year 2004.

**Table 2  
Changes in Net Assets**

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2004</u>
Revenues		
Program Revenues:		
Charges for Services	\$4,480,496	\$4,273,356
Operating Grants	6,487,504	7,540,130
Capital Grants	574,646	2,050,671
General Revenue:		
Property Taxes	42,274,110	35,169,451
Grants and Entitlements	32,216,453	33,634,399
Other	<u>2,147,537</u>	<u>2,055,825</u>
<b>Total Revenues</b>	<b><u>88,180,746</u></b>	<b><u>84,723,832</u></b>
Program Expenses:		
Instruction	45,411,314	48,139,681
Support Services:		
Pupil and Instructional Staff	9,314,933	10,185,558
School Administrative, General Administration, Fiscal and Business	7,205,774	7,551,875
Operations and Maintenance	8,245,783	7,559,219
Pupil Transportation	4,088,325	4,330,044
Central	1,371,668	1,421,910
Community Services	2,924,980	2,692,405
Operation of Non-Instructional Services	3,168,953	3,222,318
Extracurricular Activities	1,664,320	1,662,910
Interest	<u>1,211,360</u>	<u>1,190,385</u>
<b>Total Expenses</b>	<b><u>84,607,410</u></b>	<b><u>87,956,305</u></b>
<b>Increase (Decrease) in Net Assets</b>	<b><u>\$3,573,336</u></b>	<b><u>(\$3,232,473)</u></b>

**Governmental Activities**

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised eighty-one and two-tenths percent (81.2%) 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, 2004  
(Unaudited)**

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

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up forty-one and five-tenths percent (41.5%) of revenue for governmental activities for the District in fiscal year 2004.

Instruction comprises fifty-four and seven-tenths percent (54.7%) of governmental program expenses. Support services expenses were thirty-five and three-tenths percent (35.3%) of governmental program expenses. Interest expense was one and four-tenths percent (1.4%). Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Program revenues increased \$2.32 million or twenty and two-tenths percent (20.2%), due mainly to an increase in restricted grants received from other governments and reclassification of business-type activities to program specific governmental activities. In addition, grants and entitlements not restricted to specific programs increased \$1.42 million or four and four-tenths percent (4.4%). This increase was primarily related to an increase in state foundation settlement receipts. Investment earnings were relatively stable.

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

Table 3  
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>
Instruction	\$45,411,314	\$48,139,681	\$42,352,410	\$45,072,983
Support Services:				
Pupil and Instructional Staff	9,314,933	10,185,558	8,100,321	8,765,849
School Administration, General				
Administration, Fiscal and Business	7,205,774	7,551,875	6,924,140	7,243,836
Operations and Maintenance	8,245,783	7,559,219	7,936,904	5,517,443
Pupil Transportation	4,088,325	4,330,044	3,971,098	4,266,144
Central	1,371,668	1,421,910	1,291,480	1,338,977
Community Services	2,924,980	2,692,405	44,809	2,383,573
Operation of Non-Instructional Services	3,168,953	3,222,318	199,575	(2,711,870)
Extracurricular Activities	1,664,320	1,662,910	1,032,667	1,024,828
Interest	<u>1,211,360</u>	<u>1,190,385</u>	<u>1,211,360</u>	<u>1,190,385</u>
Total Expenses	<u>\$84,607,410</u>	<u>\$87,956,305</u>	<u>\$73,064,764</u>	<u>\$74,092,148</u>

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2004  
(Unaudited)**

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Total governmental expenses increased by \$3.35 million or four percent (4.0%). This was due primarily to increases in the cost of instructional and support services due to a three percent (3.0%) increase in salaries and additional teaching staff.

**The District's Funds**

Information about the District's major fund start on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$84.67 million and expenditures and other financing uses of \$87.62 million. The net change in fund balance for the year was a decrease of \$2.94 million or twelve and four-tenths percent (12.4%). The fund balance in the General Fund decreased by \$4.7 million or twenty-three percent (23.0%). This increase was primarily due to the impact of the activities of the General Fund and a decrease in the amount of property taxes available but uncollected at 2004 year end. The amount of property taxes available but uncollected for 2003 tax revenue was increased by \$3.3 million due to more advances available at the 2003 year end, and 2004 tax revenue was decreased by \$4 million due to less advances available at year end, thus the \$7.3 million decrease between 2003 and 2004.

***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 2004, the District amended its general fund budget several 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 \$75.19 million, above original budget estimates of \$75.07 million. The District's ending unobligated cash balance was \$2.77 million above the final budgeted amount. There were no significant budgetary variances between the final amended budget and actual results for the General Fund, except for operations and maintenance. It was the decision of the District to delay approximately \$0.85 million in repair projects.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2004, the District had \$27.1 million invested in land, buildings, equipment and vehicles. Table 4 shows fiscal 2004 balances compared to fiscal 2003:

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (continued)  
For the Fiscal Year Ended June 30, 2004  
(Unaudited)**

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

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2004</u>
Land and Improvements	\$3,552,125	\$3,926,125
Buildings and Improvements	21,665,009	20,769,121
Furniture and Equipment	824,145	678,175
Vehicles	<u>1,914,975</u>	<u>1,735,545</u>
Total Capital Assets	<u>\$27,956,254</u>	<u>\$27,108,966</u>

The decrease in capital assets is due to \$.64 million in acquisitions, offset by the recognition of \$1.49 million in depreciation expense. This District continues its ongoing commitment to maintaining and improving its capital assets.

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

***Debt***

At June 30, 2004, the District had \$22,845,000 in bonds outstanding, \$540,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5  
Outstanding Debt, at Year End

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2004</u>
Total:		
General Obligation Bonds:		
1998 School Improvement	<u>\$23,340,000</u>	<u>\$22,845,000</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.

At June 30, 2004, the District's overall legal debt margin was \$133,468,850 with an unvoted debt margin of \$1,482,987. The District maintains an A-1 bond rating.

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

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (concluded)  
For the Fiscal Year Ended June 30, 2004  
(Unaudited)**

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**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 and obtaining approval for an additional operating levy from the community in the near future. On November 2, 2004, the community voted down a request for an additional 5.75 mills. At this time, the Board has not set any future dates to ask our residents again to approve an additional levy. The District is projecting a slight increase in enrollment, so a need for increased revenues is projected for fiscal year 2005. This increased funding will be needed to provide all students a quality education. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

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

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

**Contacting the District's Financial Management**

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

Northwest Local School District  
Statement of Net Assets  
June 30, 2004

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$19,094,405
Receivables:	
Taxes	37,008,881
Accounts	80,720
Interest	16,731
Intergovernmental	434,391
Inventory	123,505
Nondepreciable Capital Assets	3,926,125
Depreciable Capital Assets, Net	<u>23,182,841</u>
 Total Assets	 <u>83,867,599</u>
Liabilities:	
Accounts Payable	127,542
Accrued Wages and Benefits	7,816,569
Accrued Interest Payable	99,338
Deferred Revenue	26,508,836
Long-Term Liabilities:	
Due Within One Year	1,074,076
Due In More Than One Year	<u>25,866,783</u>
 Total Liabilities	 <u>61,493,144</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	4,263,966
Restricted for:	
Special Revenue	1,184,171
Debt Service	1,404,086
Capital Projects	2,408,668
Unrestricted	<u>13,113,564</u>
 Total Net Assets	 <u><u>\$22,374,455</u></u>

See accompanying notes to the basic financial statements.

Northwest Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2004

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total Governmental Activities
<b>Governmental Activities:</b>					
<b>Instruction:</b>					
Regular	\$37,633,004	\$1,166,566	\$513,879	\$42,000	(\$35,910,559)
Special	8,211,946	0	1,300,061	0	(6,911,885)
Vocational	2,294,731	0	44,192	0	(2,250,539)
<b>Support Services:</b>					
Pupil	4,300,406	0	450,424	0	(3,849,982)
Instructional Staff	5,885,152	0	969,285	0	(4,915,867)
General Administration	91,142	0	0	0	(91,142)
School Administration	5,356,327	0	295,193	0	(5,061,134)
Fiscal	1,530,072	0	12,846	0	(1,517,226)
Business	574,334	0	0	0	(574,334)
Operations and Maintenance	7,559,219	89,511	0	1,952,265	(5,517,443)
Pupil Transportation	4,330,044	0	7,494	56,406	(4,266,144)
Central	1,421,910	0	82,933	0	(1,338,977)
Community Services	2,692,405	308,832	0	0	(2,383,573)
<b>Operation of</b>					
Non-instructional Services	3,222,318	2,070,365	3,863,823	0	2,711,870
Extracurricular Activities	1,662,910	638,082	0	0	(1,024,828)
Interest	1,190,385	0	0	0	(1,190,385)
<b>Total Governmental Activities</b>	<b>\$87,956,305</b>	<b>\$4,273,356</b>	<b>\$7,540,130</b>	<b>\$2,050,671</b>	<b>(\$74,092,148)</b>

**General Revenues:**

**Property Taxes Levied for:**

General Purposes	33,876,124
Debt Service Purposes	1,293,327
Grants and Entitlements not Restricted to Specific Programs	33,634,399
Payment in Lieu of Taxes	1,442,401
Investment Earnings	246,045
Other Revenues	367,379

**Total General Revenues and Transfers**

**70,859,675**

**Change in Net Assets**

**(3,232,473)**

**Net Assets Beginning of Year (restated)**

**25,606,928**

**Net Assets End of Year**

**\$22,374,455**

See accompanying notes to the basic financial statements.



Northwest Local School District  
 Balance Sheet  
 Governmental Funds  
 June 30, 2004

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$14,271,060	\$4,823,345	\$19,094,405
<b>Receivables:</b>			
Taxes	35,695,134	1,313,747	37,008,881
Accounts	78,534	2,186	80,720
Interest	16,731	0	16,731
Intergovernmental	0	434,391	434,391
Inventory	0	123,505	123,505
<b>Total Assets</b>	<b>\$50,061,459</b>	<b>\$6,697,174</b>	<b>\$56,758,633</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$108,601	\$18,941	\$127,542
Accrued Wages and Benefits	6,768,752	474,963	7,243,715
Compensated Absences	388,920	3,782	392,702
Deferred Revenue	26,906,609	1,235,665	28,142,274
<b>Total Liabilities</b>	<b>34,172,882</b>	<b>1,733,351</b>	<b>35,906,233</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	1,138,491	108,364	1,246,855
Reserved for Inventory	0	123,505	123,505
Reserved for Property Tax Advances	8,803,200	363,900	9,167,100
<b>Unreserved, Undesignated, Reported in:</b>			
General Fund	5,946,886	0	5,946,886
Special Revenue Funds	0	819,862	819,862
Debt Service Funds	0	1,139,524	1,139,524
Capital Projects Funds	0	2,408,668	2,408,668
<b>Total Fund Balances</b>	<b>15,888,577</b>	<b>4,963,823</b>	<b>20,852,400</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$50,061,459</b>	<b>\$6,697,174</b>	<b>\$56,758,633</b>

See accompanying notes to the basic financial statements.

Northwest Local School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 June 30, 2004

Total Governmental Fund Balance		\$20,852,400
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These consist of:</p>		
Land and Improvements	\$3,926,125	
Buildings and Improvements	48,328,949	
Furniture and Equipment	5,730,512	
Vehicles	5,335,232	
Accumulated Depreciation	<u>(36,211,852)</u>	
Total Capital Assets		27,108,966
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
Payments in lieu of Taxes	1,347,620	
Intergovernmental	<u>285,818</u>	
Total Long-term Assets		1,633,438
<p>In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.</p>		
		(99,338)
<p>Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.</p>		
Pension Obligation	(572,854)	
Compensated Absences	<u>(3,703,157)</u>	
Total Long-term Liabilities		(4,276,011)
<p>Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.</p>		
		<u>(22,845,000)</u>
Net Assets of Governmental Activities		<u><u>\$22,374,455</u></u>

See accompanying notes to the basic financial statements.

Northwest Local School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2004

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$33,876,124	\$1,293,327	\$35,169,451
Revenue in lieu of taxes	1,335,357	0	1,335,357
Tuition and Fees	1,307,283	0	1,307,283
Investment Earnings	263,641	9,626	273,267
Intergovernmental	33,361,213	7,638,715	40,999,928
Extracurricular Activities	0	463,235	463,235
Charges for Services	1,800	2,102,695	2,104,495
Other Revenues	1,034,480	1,952,265	2,986,745
<b>Total Revenues</b>	<b>71,179,898</b>	<b>13,459,863</b>	<b>84,639,761</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	36,733,471	393,066	37,126,537
Special	6,755,187	1,353,470	8,108,657
Vocational	1,986,642	142,551	2,129,193
<b>Support Services:</b>			
Pupil	3,924,270	406,530	4,330,800
Instructional Staff	4,793,524	1,038,666	5,832,190
General Administration	91,142	0	91,142
School Administration	5,076,297	258,573	5,334,870
Fiscal	1,473,186	19,651	1,492,837
Business	571,206	0	571,206
Operations and Maintenance	7,463,066	750	7,463,816
Pupil Transportation	4,143,236	16,200	4,159,436
Central	1,405,311	34,500	1,439,811
Community Services	298,763	2,363,274	2,662,037
Operation of Non-instructional Services	36,008	3,123,767	3,159,775
Extracurricular Activities	1,213,824	438,098	1,651,922
Capital Outlay	0	374,000	374,000
<b>Debt Service:</b>			
Principal Retirement	0	495,000	495,000
Interest	0	1,192,059	1,192,059
<b>Total Expenditures</b>	<b>75,965,133</b>	<b>11,650,155</b>	<b>87,615,288</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(4,785,235)</b>	<b>1,809,708</b>	<b>(2,975,527)</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	36,530	0	36,530
<b>Total Other Financing Sources (Uses)</b>	<b>36,530</b>	<b>0</b>	<b>36,530</b>
<b>Net Change in Fund Balance</b>	<b>(4,748,705)</b>	<b>1,809,708</b>	<b>(2,938,997)</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>20,637,282</b>	<b>3,154,115</b>	<b>23,791,397</b>
<b>Fund Balance End of Year</b>	<b>\$15,888,577</b>	<b>\$4,963,823</b>	<b>\$20,852,400</b>

See accompanying notes to the basic financial statements.

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, 2004

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Net Change in Fund Balance - Total Governmental Funds (\$2,938,997)

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

Governmental funds report capital asset additions 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 of the difference between capital  
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$640,904	
Depreciation Expense	(1,488,192)	
Total		(847,288)

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

Payments in lieu of Taxes	107,044	
Intergovernmental	(59,503)	
Total		47,541

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 495,000

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. 1,674

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

Pension Obligation	20,675	
Compensated Absences	(11,078)	
Total		9,597

Change in Net Assets of Governmental Activities (\$3,232,473)

See accompanying notes to the basic financial statements.

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$37,721,750	\$37,721,750	\$37,870,024	\$148,274
Revenue in Lieu of Taxes	1,150,000	1,150,000	1,335,357	185,357
Tuition and Fees	1,055,000	1,055,000	1,296,503	241,503
Interest	350,000	350,000	275,940	(74,060)
Intergovernmental	33,410,350	33,410,350	33,375,329	(35,021)
Other Revenues	1,385,000	1,272,000	1,036,010	(235,990)
<b>Total Revenues</b>	<b>75,072,100</b>	<b>74,959,100</b>	<b>75,189,163</b>	<b>230,063</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	37,481,152	37,731,441	37,025,393	706,048
Special	7,317,025	6,764,625	6,674,613	90,012
Vocational	2,046,278	2,080,278	2,008,688	71,590
<b>Support Services:</b>				
Pupil	4,418,570	4,106,619	3,909,092	197,527
Instructional Staff	4,382,488	4,682,249	4,610,118	72,131
General Administration	139,665	153,376	95,043	58,333
School Administration	5,113,016	5,037,186	4,998,506	38,680
Fiscal	1,404,160	1,495,210	1,476,352	18,858
Business	603,385	603,385	569,795	33,590
Operations and Maintenance	9,065,572	9,213,861	8,207,754	1,006,107
Pupil Transportation	4,369,043	4,406,543	4,329,078	77,465
Central	1,475,161	1,495,161	1,378,063	117,098
Community Services	341,410	341,410	340,986	424
Extracurricular Activities	1,240,265	1,246,865	1,218,526	28,339
<b>Total Expenditures</b>	<b>79,397,190</b>	<b>79,358,209</b>	<b>76,842,007</b>	<b>2,516,202</b>
Excess of Revenues Over (Under) Expenditures	(4,325,090)	(4,399,109)	(1,652,844)	2,746,265
<b>Other financing sources (uses):</b>				
Proceeds from Sale of Capital Assets	15,000	15,000	36,530	21,530
<b>Total Other Financing Sources (Uses)</b>	<b>15,000</b>	<b>15,000</b>	<b>36,530</b>	<b>21,530</b>
<b>Net Change in Fund Balance</b>	<b>(4,310,090)</b>	<b>(4,384,109)</b>	<b>(1,616,314)</b>	<b>2,767,795</b>
Fund Balance Beginning of Year	14,039,069	14,039,069	14,039,069	0
Prior year encumbrances appropriated	600,994	600,994	600,994	0
<b>Fund Balance End of Year</b>	<b>\$10,329,973</b>	<b>\$10,255,954</b>	<b>\$13,023,749</b>	<b>\$2,767,795</b>

See accompanying notes to the basic financial statements.

Northwest Local School District  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2004

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$188,769</u>
Total Assets	<u><u>\$188,769</u></u>
Liabilities:	
Accounts Payable	\$1,254
Other Liabilities	<u>187,515</u>
Total Liabilities	<u><u>\$188,769</u></u>

See accompanying notes to the basic financial statements.

**NORTHWEST LOCAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2004**

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**NOTE A--DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

*DESCRIPTION OF THE DISTRICT*

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

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

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

The District currently has 10,647 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 758 certificated employees and 514 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 BASIC FINANCIAL STATEMENTS - (continued)  
For the Fiscal Year Ended June 30, 2004**

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

The following activities are included within the reporting entity:

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

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. 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 and fiduciary.

*Governmental Funds*

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

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



**NORTHWEST LOCAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS - (continued)  
For the Fiscal Year Ended June 30, 2004**

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

***Fiduciary Funds***

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

***MEASUREMENT FOCUS***

**Government-wide Financial Statements**

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

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

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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

*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. Fiduciary funds also use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

*Revenues – Exchange and Non-exchange Transactions*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal 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 D.) 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, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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

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

Payment in Lieu of Taxes

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

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.

*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.

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

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to general operating funds during the current fiscal year amounted to \$273,267.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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

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.

*INVENTORY*

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories consist of donated food, purchased food and consumable supplies held and expended when used.

*CAPITAL ASSETS*

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated 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
Buildings	30 - 50 years
Building Improvements	10 - 30 years
Furniture and Equipment	5 - 10 years
Vehicles	5 - 10 years

*COMPENSATED ABSENCES*

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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

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

Sick leave benefits are accrued as a liability using the 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 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

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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

*NET ASSETS*

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

*INTERFUND ACTIVITY*

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

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities column of the statement of net assets.

*BUDGETARY PROCESS*

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

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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

*Tax Budget*

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

*Estimated Resources*

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

*Appropriations*

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

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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

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, 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.

NOTE C—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 "Equity in Pooled Cash and Investments."



**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE C—CASH AND CASH EQUIVALENTS – (continued)

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) 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

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE C—CASH AND CASH EQUIVALENTS – (continued)

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 \$8,144,410. The bank balance of deposits was \$8,873,204 of which \$176,376 was covered by federal depository insurance. The remaining balance of \$8,696,828 was covered by 105% public depository pool, which was collateralized with securities held by the pledging financial institution's trust department but not in the District's name.

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

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

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

<u>Description</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount/ Fair Value</u>
Money Market*	\$0	\$0	\$0	\$3,932,831
Federal Agency Security	0	0	3,186,243	3,186,243
State Treasury Pool*	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,019,686</u>
Total Investments	<u>\$0</u>	<u>\$0</u>	<u>\$3,186,243</u>	<u>\$11,138,760</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.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE C—CASH AND CASH EQUIVALENTS – (continued)

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

NOTE D—PROPERTY TAXES

Real property taxes collected in 2004 were levied in April on the assessed values as of January 1, 2003, 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 2004, 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 2004, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at fiscal year end. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2004, was \$8,803,200 for General Fund and \$363,900 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 2004 operations. The amount available for advance at June 30, 2003 was \$12,797,100 for General Fund and \$529,200 for Debt Service, with a corresponding reserve to fund balance since the Board did not appropriate those receivables for fiscal year 2003 operations.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE E—RECEIVABLES

Receivables at June 30, 2004, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<b>Governmental Activities</b>	
IDEA B Special Education	\$194,632
Title III LEP	3,521
Title I	128,110
Drug Free Schools	3,076
Food Service	<u>105,052</u>
 Total Governmental Activities	 <u>\$434,391</u>

NOTE F—CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	<u>Balance</u> <u>7/1/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/04</u>
<b>Governmental Activities</b>				
<i>Capital Assets, Not being Depreciated:</i>				
Land and Improvements	\$3,552,125	\$374,000	\$0	\$3,926,125
<i>Capital Assets Being Depreciated:</i>				
Buildings and Improvements	48,328,949	0	0	48,328,949
Furniture and Equipment	5,637,431	93,081	0	5,730,512
Vehicles	<u>5,241,106</u>	<u>173,823</u>	<u>79,697</u>	<u>5,335,232</u>
Total Historical Cost	<u>\$62,759,611</u>	<u>\$640,904</u>	<u>\$79,697</u>	<u>\$63,320,818</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$26,663,940	\$895,888	\$0	\$27,559,828
Furniture and Equipment	4,813,286	239,051	0	5,052,337
Vehicles	<u>3,326,131</u>	<u>353,253</u>	<u>79,697</u>	<u>3,599,687</u>
Total Accumulated Depreciation	<u>\$34,803,357</u>	<u>\$1,488,192</u>	<u>\$79,697</u>	<u>\$36,211,852</u>
Governmental Activities Capital Assets, Net	<u>\$27,956,254</u>	<u>(\$847,288)</u>	<u>\$0</u>	<u>\$27,108,966</u>

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE F—CAPITAL ASSETS – (continued)

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

Instruction:	
Regular	\$824,723
Special	54,873
Vocational	116,618
Support Services:	
Pupil	4,444
Instructional Staff	954
Administration	30,768
Fiscal	4,078
Business	569
Operations and Maintenance	56,499
Pupil Transportation	321,280
Central	35,487
Community Services	33,634
Extracurricular Activities	<u>4,265</u>
Total Depreciation Expense	<u>\$1,488,192</u>

NOTE G—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, 2004, are a voted debt margin of \$133,468,850 and an unvoted debt margin of \$1,482,987.

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 BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

**NOTE H—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, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2004</u>	<u>Due in</u> <u>One Year</u>
<b>Government Activities</b>					
General Obligation Bonds:					
1998 School Improvement	\$23,340,000	\$0	\$495,000	\$22,845,000	\$540,000
Compensated Absences	<u>4,172,418</u>	<u>654,996</u>	<u>731,555</u>	<u>4,095,859</u>	<u>534,076</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$27,512,418</u>	<u>\$654,996</u>	<u>\$1,226,555</u>	<u>\$26,940,859</u>	<u>\$1,074,076</u>

On March 1, 1998, the District issued \$25,000,000, 3.7%-6.0% general obligation bonds. These bonds were issued to fund construction of a new elementary building and various school improvements and will be paid from property taxes. Compensated absences will be paid from the General Fund for governmental activities.

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>
2005	\$540,000	\$1,169,645	\$1,709,645
2006	590,000	1,144,745	1,734,745
2007	640,000	1,117,275	1,757,275
2008	695,000	1,087,098	1,782,098
2009	750,000	1,051,310	1,801,310
2010-2014	4,850,000	4,540,805	9,390,805
2015-2019	7,085,000	2,950,266	10,035,266
2020-2023	<u>7,695,000</u>	<u>827,398</u>	<u>8,522,398</u>
TOTAL	<u>\$22,845,000</u>	<u>\$13,888,542</u>	<u>\$36,733,542</u>

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE I—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 ten percent (10%) of their annual covered salary and the District is required to contribute fourteen percent (14%); five and eight-tenths percent (5.8%) 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, 2004, 2003, and 2002 were \$1,718,550, \$1,677,216 and \$1,565,394 respectively; fifty percent (50.0%) has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002. \$859,275 represents the unpaid contribution for fiscal year 2004.

*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 ten percent (10%) of their annual covered salary and the District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal year ended June 30, 2004, 2003, and 2002 were \$5,781,379, \$5,539,002 and \$5,181,944 respectively, 95.4% percent has been contributed for fiscal year 2004, and 100 percent for the fiscal years 2003 and 2002. \$267,579 represents the unpaid contribution for fiscal year 2004.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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**NOTE J—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 \$1,858,300 during the 2004 fiscal year. As of July 1, 2003, eligible benefit recipients totaled 108,294. For the fiscal year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000.

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

For 2003 fiscal year, employer contributions to fund health care benefits were 5.83 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$14,500. The surcharge rate added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund. For the District, this amount equaled \$1,202,985 during the 2004 fiscal year. The number of participants currently receiving health care benefits is 50,000. For the fiscal year ended June 30, 2003, net health care costs paid by SERS were \$204,930,737.

**NOTE K—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.



**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE K—CONTINGENT LIABILITIES – (continued)

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

*LITIGATION*

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

NOTE L—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 2004, the District contracted with Cincinnati Insurance Company for property and general liability insurance and boiler and machinery insurance.

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

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

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

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

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

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

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

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

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE M—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 N—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	
	<u>General</u>
GAAP Basis	(\$4,748,705)
Revenue Accruals	4,009,265
Expenditure Accruals	370,218
Encumbrances	<u>(1,247,092)</u>
Budgetary Basis	<u>(\$1,616,314)</u>

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS - (continued)**  
**For the Fiscal Year Ended June 30, 2004**

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NOTE O—FUND BALANCE RESERVES FOR SET-ASIDES

The District is required by the state to spend a certain percentage of the District’s budget for textbooks and capital improvements. A schedule for fiscal year ending June 30, 2004, is as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside carried forward from June 30, 2003	(\$1,469,053)	\$0
Current Year Set-aside Requirement	1,518,106	1,518,106
Qualifying Disbursements	<u>(1,657,106)</u>	<u>(2,341,526)</u>
Total	<u>(1,608,053)</u>	<u>(823,420)</u>
Set-aside carried forward to FY2005	<u>(\$1,608,053)</u>	<u>\$0</u>

NOTE P—FUND BALANCE DEFICITS

Fund balances at June 30, 2004 include the following individual fund deficit:

Special Revenue Funds:	
IDEA B Special Education	\$ 22,657

The deficit in this Special Revenue Fund resulted due to delays in cash being received to the District from the Ohio State Department of Education.

NOTE Q—PRIOR PERIOD ADJUSTMENT

The beginning net asset/fund balances of special revenue, enterprise and governmental activities has been adjusted for the reclassification of enterprise funds as follows:

	<u>Fund Level</u>		<u>Entity-Wide</u>
	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Governmental Activities</u>
June 30, 2003 Fund Balance/ Net Assets, as previously stated	\$433,014	\$83,855	\$25,523,073
Fund Reclassification	<u>120,356</u>	<u>(83,855)</u>	<u>83,855</u>
June 30, 2003 Fund Balance/ Net Assets, as restated	<u>\$553,370</u>	<u>\$0</u>	<u>\$25,606,928</u>

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**COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

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## ***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:

#### **FOOD SERVICE FUND:**

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

#### **CUSTOMER SERVICE FUND:**

To account for all revenues and expenses related to goods and/or services provided by the District. The primary use of this fund is to account for services provided by career technical classes to the public. Activities in this fund are usually curricular in nature.

#### **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.

#### **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.

**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.

**STUDENT INTERVENTION FUND:**

To account for state funds which provide academic intervention services and materials to students in grades 1 through 4 who have failed the Ohio Proficiency test in reading.

**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)***

**SCHOOLS-THAT-WORK FUND:**

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

**ENTRY YEAR TEACHERS GRANT FUND:**

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

**IDEA B SPECIAL EDUCATION FUND:**

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

**VOCATIONAL EDUCATION PERKINS FUND:**

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

**TITLE III LEP FUND:**

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

**TITLE I FUND:**

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

**TITLE V INNOVATIVE PROJECTS FUND:**

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

**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 II-A FUND:**

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

**ASSISTIVE TECHNOLOGY FUND:**

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

**OCIS AWARENESS FUND:**

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

**TECHNOLOGY II-D FUND:**

To account for federal funds to enhance education through technology.

***NONMAJOR DEBT SERVICE FUND***

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

***NONMAJOR CAPITAL PROJECTS FUNDS***

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

**NORTHWEST LOCAL SCHOOL DISTRICT**

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

**PERMANENT IMPROVEMENT FUND:**

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

**OHIO SCHOOLNET FUND:**

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

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$1,275,153	\$1,139,524	\$2,408,668	\$4,823,345
<b>Receivables:</b>				
Taxes	0	1,313,747	0	1,313,747
Accounts	2,186	0	0	2,186
Intergovernmental	434,391	0	0	434,391
Inventory	123,505	0	0	123,505
<b>Total Assets</b>	<b>\$1,835,235</b>	<b>\$2,453,271</b>	<b>\$2,408,668</b>	<b>\$6,697,174</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$18,941	\$0	\$0	\$18,941
Accrued Wages and Benefits	474,963	0	0	474,963
Compensated Absences	3,782	0	0	3,782
Deferred Revenue	285,818	949,847	0	1,235,665
<b>Total Liabilities</b>	<b>783,504</b>	<b>949,847</b>	<b>0</b>	<b>1,733,351</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	108,364	0	0	108,364
Reserved for Inventory	123,505	0	0	123,505
Reserved for Property Tax Advances	0	363,900	0	363,900
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	819,862	0	0	819,862
Debt Service Funds	0	1,139,524	0	1,139,524
Capital Projects Funds	0	0	2,408,668	2,408,668
<b>Total Fund Balances</b>	<b>1,051,731</b>	<b>1,503,424</b>	<b>2,408,668</b>	<b>4,963,823</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,835,235</b>	<b>\$2,453,271</b>	<b>\$2,408,668</b>	<b>\$6,697,174</b>

Northwest Local School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$1,293,327	\$0	\$1,293,327
Investment Earnings	9,626	0	0	9,626
Intergovernmental	7,417,103	179,612	42,000	7,638,715
Extracurricular Activities	463,235	0	0	463,235
Charges for Services	2,102,695	0	0	2,102,695
Other Revenues	0	0	1,952,265	1,952,265
<b>Total Revenues</b>	<b>9,992,659</b>	<b>1,472,939</b>	<b>1,994,265</b>	<b>13,459,863</b>
Expenditures:				
Current:				
Instruction:				
Regular	318,669	0	74,397	393,066
Special	1,353,470	0	0	1,353,470
Vocational	142,551	0	0	142,551
Support Services:				
Pupil	406,530	0	0	406,530
Instructional Staff	1,038,666	0	0	1,038,666
School Administration	258,573	0	0	258,573
Fiscal	0	19,651	0	19,651
Operations and Maintenance	0	0	750	750
Pupil Transportation	16,200	0	0	16,200
Central	34,500	0	0	34,500
Community Services	2,363,274	0	0	2,363,274
Operation of Non-instructional Services	3,123,767	0	0	3,123,767
Extracurricular Activities	438,098	0	0	438,098
Capital Outlay	0	0	374,000	374,000
Debt Service:				
Principal Retirement	0	495,000	0	495,000
Interest	0	1,192,059	0	1,192,059
<b>Total Expenditures</b>	<b>9,494,298</b>	<b>1,706,710</b>	<b>449,147</b>	<b>11,650,155</b>
Net Change in Fund Balance	498,361	(233,771)	1,545,118	1,809,708
Fund Balance Beginning of Year (restated)	553,370	1,737,195	863,550	3,154,115
<b>Fund Balance End of Year</b>	<b>\$1,051,731</b>	<b>\$1,503,424</b>	<b>\$2,408,668</b>	<b>\$4,963,823</b>

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2004

	Food Service	Customer Service	Underground Storage Tank	Athletic
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$353,046	\$8,015	\$11,000	\$198,734
<b>Receivables:</b>				
Accounts	2,186	0	0	0
Intergovernmental	105,052	0	0	0
Inventory	123,505	0	0	0
<b>Total Assets</b>	<b>\$583,789</b>	<b>\$8,015</b>	<b>\$11,000</b>	<b>\$198,734</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$5,532	\$10	\$0	\$3,643
Accrued Wages and Benefits	228,955	0	0	0
Compensated Absences	2,727	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>237,214</b>	<b>10</b>	<b>0</b>	<b>3,643</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	0	0	21,305
Reserved for Inventory	123,505	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	223,070	8,005	11,000	173,786
<b>Total Fund Balances</b>	<b>346,575</b>	<b>8,005</b>	<b>11,000</b>	<b>195,091</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$583,789</b>	<b>\$8,015</b>	<b>\$11,000</b>	<b>\$198,734</b>

<u>Auxiliary Services</u>	<u>Career Development</u>	<u>Education Management Information System</u>	<u>Public Preschool</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Ohio SchoolNet Professional Development</u>
\$334,852	\$0	\$43,742	\$0	\$3,660	\$6,631
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$334,852</u>	<u>\$0</u>	<u>\$43,742</u>	<u>\$0</u>	<u>\$3,660</u>	<u>\$6,631</u>
\$1,878	\$0	\$0	\$0	\$0	\$0
3,434	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,312</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
67,578	0	0	0	0	0
0	0	0	0	0	0
<u>261,962</u>	<u>0</u>	<u>43,742</u>	<u>0</u>	<u>3,660</u>	<u>6,631</u>
<u>329,540</u>	<u>0</u>	<u>43,742</u>	<u>0</u>	<u>3,660</u>	<u>6,631</u>
<u>\$334,852</u>	<u>\$0</u>	<u>\$43,742</u>	<u>\$0</u>	<u>\$3,660</u>	<u>\$6,631</u>

continued

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (continued)  
June 30, 2004

	Ohio Reads	Student Intervention	Safe School Help Line	Schools- that-Work
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$0	\$36,635	\$0	\$0
<b>Receivables:</b>				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
<b>Total Assets</b>	<b>\$0</b>	<b>\$36,635</b>	<b>\$0</b>	<b>\$0</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	6,831	0	0
Compensated Absences	0	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>6,831</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	2,737	0	0
Reserved for Inventory	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	0	27,067	0	0
<b>Total Fund Balances</b>	<b>0</b>	<b>29,804</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$0</b>	<b>\$36,635</b>	<b>\$0</b>	<b>\$0</b>



<u>Entry Year Teachers Grant</u>	<u>IDEA B Special Education</u>	<u>Vocational Education Perkins</u>	<u>Title III LEP</u>	<u>Title I</u>	<u>Title V Innovative Projects</u>
\$875	\$36,671	\$8,568	\$982	\$138,005	\$29,064
0	0	0	0	0	0
0	194,632	0	3,521	128,110	0
0	0	0	0	0	0
<u>\$875</u>	<u>\$231,303</u>	<u>\$8,568</u>	<u>\$4,503</u>	<u>\$266,115</u>	<u>\$29,064</u>
\$0	\$1,518	\$0	\$0	\$1,310	\$0
0	97,810	0	0	109,726	0
0	0	0	0	1,055	0
0	154,632	0	0	128,110	0
0	253,960	0	0	240,201	0
875	0	8,568	0	0	0
0	0	0	0	0	0
0	(22,657)	0	4,503	25,914	29,064
875	(22,657)	8,568	4,503	25,914	29,064
<u>\$875</u>	<u>\$231,303</u>	<u>\$8,568</u>	<u>\$4,503</u>	<u>\$266,115</u>	<u>\$29,064</u>

continued

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (concluded)  
June 30, 2004

	Drug Free Schools	Title II-A	Assistive Technology	OCIS Awareness
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$8,194	\$45,152	\$0	\$1,316
<b>Receivables:</b>				
Accounts	0	0	0	0
Intergovernmental	3,076	0	0	0
Inventory	0	0	0	0
<b>Total Assets</b>	<b>\$11,270</b>	<b>\$45,152</b>	<b>\$0</b>	<b>\$1,316</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$5,050	\$0	\$0
Accrued Wages and Benefits	0	28,207	0	0
Compensated Absences	0	0	0	0
Deferred Revenue	3,076	0	0	0
<b>Total Liabilities</b>	<b>3,076</b>	<b>33,257</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	0	0	0
Reserved for Inventory	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	8,194	11,895	0	1,316
<b>Total Fund Balances</b>	<b>8,194</b>	<b>11,895</b>	<b>0</b>	<b>1,316</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$11,270</b>	<b>\$45,152</b>	<b>\$0</b>	<b>\$1,316</b>

<u>Technology II-D</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$10,011	\$1,275,153
0	2,186
0	434,391
<u>0</u>	<u>123,505</u>
<u>\$10,011</u>	<u>\$1,835,235</u>
\$0	\$18,941
0	474,963
0	3,782
<u>0</u>	<u>285,818</u>
<u>0</u>	<u>783,504</u>
7,301	108,364
0	123,505
<u>2,710</u>	<u>819,862</u>
<u>10,011</u>	<u>1,051,731</u>
<u>\$10,011</u>	<u>\$1,835,235</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, 2004

	Food Service	Customer Service	Underground Storage Tank	Athletic
Revenues:				
Investment Earnings	\$3,626	\$0	\$0	\$0
Intergovernmental	1,262,316	0	0	0
Extracurricular Activities	0	0	0	463,235
Charges for Services	2,093,083	9,612	0	0
<b>Total Revenues</b>	<b>3,359,025</b>	<b>9,612</b>	<b>0</b>	<b>463,235</b>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Vocational	0	10,646	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
School Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community Services	0	0	0	0
Operation of Non-instructional Services	3,123,767	0	0	0
Extracurricular Activities	0	0	0	438,098
<b>Total Expenditures</b>	<b>3,123,767</b>	<b>10,646</b>	<b>0</b>	<b>438,098</b>
<b>Net Change in Fund Balance</b>	<b>235,258</b>	<b>(1,034)</b>	<b>0</b>	<b>25,137</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>111,317</b>	<b>9,039</b>	<b>11,000</b>	<b>169,954</b>
<b>Fund Balance End of Year</b>	<b>\$346,575</b>	<b>\$8,005</b>	<b>\$11,000</b>	<b>\$195,091</b>

Auxiliary Services	Career Development	Education Management Information System	Public Preschool	Disadvantaged Pupil Impact Aid	Ohio SchoolNet Professional Development
\$6,000	\$0	\$0	\$0	\$0	\$0
2,266,121	19,805	39,034	149,418	106,215	6,750
0	0	0	0	0	0
0	0	0	0	0	0
<u>2,272,121</u>	<u>19,805</u>	<u>39,034</u>	<u>149,418</u>	<u>106,215</u>	<u>6,750</u>
0	8,897	0	90,629	0	0
0	0	0	0	102,555	0
0	0	0	0	0	0
0	0	0	18,224	0	0
0	6,310	0	45,624	0	5,977
0	687	0	0	0	0
0	0	0	0	0	0
0	0	34,500	0	0	0
2,139,300	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>2,139,300</u>	<u>15,894</u>	<u>34,500</u>	<u>154,477</u>	<u>102,555</u>	<u>5,977</u>
132,821	3,911	4,534	(5,059)	3,660	773
196,719	(3,911)	39,208	5,059	0	5,858
<u>\$329,540</u>	<u>\$0</u>	<u>\$43,742</u>	<u>\$0</u>	<u>\$3,660</u>	<u>\$6,631</u>

continued

Northwest Local School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds (continued)  
For the Fiscal Year Ended June 30, 2004

	Ohio Reads	Student Intervention	Safe School Help Line	Schools- that-Work
Revenues:				
Investment Earnings	\$0	\$0	\$0	\$0
Intergovernmental	112,500	197,515	11,003	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
<b>Total Revenues</b>	<b>112,500</b>	<b>197,515</b>	<b>11,003</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Regular	48,873	0	0	0
Special	0	98,353	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	6,831	11,003	0
Instructional Staff	63,637	43,522	0	1,400
School Administration	0	0	0	0
Pupil Transportation	0	14,000	0	0
Central	0	0	0	0
Community Services	0	5,005	0	0
Operation of Non-instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>112,510</b>	<b>167,711</b>	<b>11,003</b>	<b>1,400</b>
Net Change in Fund Balance	(10)	29,804	0	(1,400)
Fund Balance Beginning of Year (restated)	10	0	0	1,400
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$29,804</b>	<b>\$0</b>	<b>\$0</b>

Entry Year Teachers Grant	IDEA B Special Education	Vocational Education Perkins	Title III LEP	Title I	Title V Innovative Projects
\$0	\$0	\$0	\$0	\$0	\$0
20,900	1,337,851	178,465	32,524	1,144,599	95,720
0	0	0	0	0	0
0	0	0	0	0	0
<u>20,900</u>	<u>1,337,851</u>	<u>178,465</u>	<u>32,524</u>	<u>1,144,599</u>	<u>95,720</u>
0	0	0	0	0	0
0	339,305	0	32,942	726,458	48,543
0	0	128,990	0	0	0
0	322,780	29,364	1,976	0	0
20,025	329,952	20,016	0	254,951	16,536
0	239,423	6,374	0	12,089	0
0	0	0	0	0	2,200
0	0	0	0	0	0
0	148,540	0	830	53,875	13,124
0	0	0	0	0	0
0	0	0	0	0	0
<u>20,025</u>	<u>1,380,000</u>	<u>184,744</u>	<u>35,748</u>	<u>1,047,373</u>	<u>80,403</u>
875	(42,149)	(6,279)	(3,224)	97,226	15,317
0	19,492	14,847	7,727	(71,312)	13,747
<u>\$875</u>	<u>(\$22,657)</u>	<u>\$8,568</u>	<u>\$4,503</u>	<u>\$25,914</u>	<u>\$29,064</u>

continued

Northwest Local School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds (concluded)  
For the Fiscal Year Ended June 30, 2004

	Drug Free Schools	Title II-A	Assistive Technology	OCIS Awareness
<b>Revenues:</b>				
Investment Earnings	\$0	\$0	\$0	\$0
Intergovernmental	44,580	358,134	0	4,394
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
<b>Total Revenues</b>	<b>44,580</b>	<b>358,134</b>	<b>0</b>	<b>4,394</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	4,100	166,170	0	0
Special	0	0	5,314	0
Vocational	0	0	0	2,915
<b>Support Services:</b>				
Pupil	11,302	5,050	0	0
Instructional Staff	22,667	186,994	0	1,555
School Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community Services	2,319	281	0	0
Operation of Non-instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>40,388</b>	<b>358,495</b>	<b>5,314</b>	<b>4,470</b>
<b>Net Change in Fund Balance</b>	<b>4,192</b>	<b>(361)</b>	<b>(5,314)</b>	<b>(76)</b>
<b>Fund Balance Beginning of Year (restated)</b>	<b>4,002</b>	<b>12,256</b>	<b>5,314</b>	<b>1,392</b>
<b>Fund Balance End of Year</b>	<b>\$8,194</b>	<b>\$11,895</b>	<b>\$0</b>	<b>\$1,316</b>



<u>Technology II-D</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$9,626
29,259	7,417,103
0	463,235
<u>0</u>	<u>2,102,695</u>
<u>29,259</u>	<u>9,992,659</u>
0	318,669
0	1,353,470
0	142,551
0	406,530
19,500	1,038,666
0	258,573
0	16,200
0	34,500
0	2,363,274
0	3,123,767
<u>0</u>	<u>438,098</u>
<u>19,500</u>	<u>9,494,298</u>
9,759	498,361
<u>252</u>	<u>553,370</u>
<u>\$10,011</u>	<u>\$1,051,731</u>

Northwest Local School District  
 Combining Balance Sheet  
 Nonmajor Debt Service Fund  
 June 30, 2004

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	<u>Debt Service</u>
Assets:	
Equity in Pooled Cash and Investments	\$1,139,524
Receivables:	
Taxes	<u>1,313,747</u>
Total Assets	<u><u>\$2,453,271</u></u>
Liabilities and Fund Balances:	
Liabilities:	
Deferred Revenue	<u>\$949,847</u>
Total Liabilities	<u>949,847</u>
Fund Balances:	
Reserved for Property Tax Advances	363,900
Unreserved, Undesignated, Reported in:	
Debt Service Funds	<u>1,139,524</u>
Total Fund Balances	<u>1,503,424</u>
Total Liabilities and Fund Balances	<u><u>\$2,453,271</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, 2004

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	<u>Debt Service</u>
Revenues:	
Taxes	\$1,293,327
Intergovernmental	<u>179,612</u>
Total Revenues	<u>1,472,939</u>
Expenditures:	
Current:	
Support Services:	
Fiscal	19,651
Debt Service:	
Principal Retirement	495,000
Interest	<u>1,192,059</u>
Total Expenditures	<u>1,706,710</u>
Excess of Revenues Over (Under) Expenditures	<u>(233,771)</u>
Net Change in Fund Balance	(233,771)
Fund Balance Beginning of Year	<u>1,737,195</u>
Fund Balance End of Year	<u><u>\$1,503,424</u></u>

Northwest Local School District  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 June 30, 2004

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$2,408,668	\$0	\$2,408,668
<b>Total Assets</b>	<b>\$2,408,668</b>	<b>\$0</b>	<b>\$2,408,668</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Total Liabilities	\$0	\$0	\$0
<b>Fund Balances:</b>			
<b>Unreserved, Undesignated, Reported in:</b>			
Capital Projects Funds	2,408,668	0	2,408,668
<b>Total Fund Balances</b>	<b>2,408,668</b>	<b>0</b>	<b>2,408,668</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$2,408,668</b>	<b>\$0</b>	<b>\$2,408,668</b>

Northwest Local School District  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Fiscal Year Ended June 30, 2004

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental	\$0	\$42,000	\$42,000
Other Revenues	1,952,265	0	1,952,265
<b>Total Revenues</b>	<b>1,952,265</b>	<b>42,000</b>	<b>1,994,265</b>
Expenditures:			
Current:			
Instruction:			
Regular	0	74,397	74,397
Support Services:			
Operations and Maintenance	750	0	750
Capital Outlay	374,000	0	374,000
<b>Total Expenditures</b>	<b>374,750</b>	<b>74,397</b>	<b>449,147</b>
Net Change in Fund Balance	1,577,515	(32,397)	1,545,118
Fund Balance Beginning of Year	831,153	32,397	863,550
<b>Fund Balance End of Year</b>	<b>\$2,408,668</b>	<b>\$0</b>	<b>\$2,408,668</b>

Northwest Local School District  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2004

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$180,018	\$8,751	\$0	\$188,769
Total Assets	\$180,018	\$8,751	\$0	\$188,769
Liabilities:				
Accounts Payable	\$0	\$1,254	\$0	\$1,254
Other Liabilities	180,018	7,497	0	187,515
Total Liabilities	\$180,018	\$8,751	\$0	\$188,769

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

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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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$37,721,750	\$37,721,750	\$37,870,024	\$148,274
Revenue in Lieu of Taxes	1,150,000	1,150,000	1,335,357	185,357
Tuition and Fees	1,055,000	1,055,000	1,296,503	241,503
Interest	350,000	350,000	275,940	(74,060)
Intergovernmental	33,410,350	33,410,350	33,375,329	(35,021)
Other Revenues	1,385,000	1,272,000	1,036,010	(235,990)
<b>Total Revenues</b>	<b>75,072,100</b>	<b>74,959,100</b>	<b>75,189,163</b>	<b>230,063</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<u>Regular</u>				
Salaries and Wages	27,045,000	27,190,000	27,186,202	3,798
Fringe Benefits	7,115,165	6,815,265	6,798,190	17,075
Purchased Services	1,089,909	1,385,624	1,258,537	127,087
Materials and Supplies	2,019,482	2,128,956	1,632,019	496,937
Capital Outlay	85,146	85,146	70,474	14,672
Capital Outlay - Replacement	126,450	126,450	79,971	46,479
<b>Total Regular</b>	<b>37,481,152</b>	<b>37,731,441</b>	<b>37,025,393</b>	<b>706,048</b>
<u>Special</u>				
Salaries and Wages	4,945,000	4,645,000	4,635,608	9,392
Fringe Benefits	1,291,025	1,191,025	1,178,131	12,894
Purchased Services	1,081,000	928,600	860,874	67,726
<b>Total Special</b>	<b>7,317,025</b>	<b>6,764,625</b>	<b>6,674,613</b>	<b>90,012</b>
<u>Vocational</u>				
Salaries and Wages	1,430,000	1,450,000	1,447,753	2,247
Fringe Benefits	376,790	356,790	349,012	7,778
Purchased Services	31,700	33,700	29,164	4,536
Materials and Supplies	135,788	147,788	131,881	15,907
Capital Outlay	31,000	31,000	523	30,477
Capital Outlay - Replacement	41,000	61,000	50,355	10,645
<b>Total Vocational</b>	<b>\$2,046,278</b>	<b>\$2,080,278</b>	<b>\$2,008,688</b>	<b>\$71,590</b>

continued

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Support Services:</b>				
<u>Pupil</u>				
Salaries and Wages	\$1,929,550	\$1,899,550	\$1,899,172	\$378
Fringe Benefits	523,850	493,850	487,923	5,927
Purchased Services	1,753,098	1,499,147	1,360,390	138,757
Materials and Supplies	166,272	166,272	141,456	24,816
Capital Outlay - Replacement	2,000	0	0	0
Other Expenditures	43,800	47,800	20,151	27,649
<b>Total Pupil</b>	<b>4,418,570</b>	<b>4,106,619</b>	<b>3,909,092</b>	<b>197,527</b>
<u>Instructional Staff</u>				
Salaries and Wages	3,154,415	3,354,415	3,345,069	9,346
Fringe Benefits	986,045	1,081,105	1,071,858	9,247
Purchased Services	148,527	153,077	112,191	40,886
Materials and Supplies	82,501	82,652	77,822	4,830
Capital Outlay	5,000	5,000	0	5,000
Other Expenditures	6,000	6,000	3,178	2,822
<b>Total Instructional Staff</b>	<b>4,382,488</b>	<b>4,682,249</b>	<b>4,610,118</b>	<b>72,131</b>
<u>General Administration</u>				
Salaries and Wages	9,600	9,600	9,600	0
Fringe Benefits	1,565	1,565	1,479	86
Purchased Services	7,500	7,500	5,551	1,949
Other Expenditures	121,000	134,711	78,413	56,298
<b>Total General Administration</b>	<b>139,665</b>	<b>153,376</b>	<b>95,043</b>	<b>58,333</b>
<u>School Administration</u>				
Salaries and Wages	3,715,000	3,605,000	3,599,103	5,897
Fringe Benefits	971,255	921,255	912,477	8,778
Purchased Services	153,035	234,705	225,240	9,465
Materials and Supplies	55,026	55,126	43,180	11,946
Capital Outlay - Replacement	1,000	1,400	1,297	103
Other Expenditures	217,700	219,700	217,209	2,491
<b>Total School Administration</b>	<b>\$5,113,016</b>	<b>\$5,037,186</b>	<b>\$4,998,506</b>	<b>\$38,680</b>

continued

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Fiscal</u>				
Salaries and Wages	\$590,000	\$610,000	\$603,245	\$6,755
Fringe Benefits	176,635	176,635	174,215	2,420
Purchased Services	35,000	35,050	33,644	1,406
Materials and Supplies	17,525	17,525	17,269	256
Capital Outlay - Replacement	5,000	5,000	1,602	3,398
Other Expenditures	580,000	651,000	646,377	4,623
<b>Total Fiscal</b>	<b>1,404,160</b>	<b>1,495,210</b>	<b>1,476,352</b>	<b>18,858</b>
<u>Business</u>				
Salaries and Wages	184,650	184,650	184,247	403
Fringe Benefits	47,235	47,235	45,167	2,068
Purchased Services	337,500	337,500	314,723	22,777
Materials and Supplies	34,000	34,000	25,658	8,342
<b>Total Business</b>	<b>603,385</b>	<b>603,385</b>	<b>569,795</b>	<b>33,590</b>
<u>Operations and Maintenance</u>				
Salaries and Wages	2,750,000	2,670,000	2,649,692	20,308
Fringe Benefits	878,150	827,820	821,309	6,511
Purchased Services	4,981,922	5,240,541	4,312,118	928,423
Materials and Supplies	435,500	455,500	411,778	43,722
Capital Outlay - Replacement	20,000	20,000	12,857	7,143
<b>Total Operations and Maintenance</b>	<b>9,065,572</b>	<b>9,213,861</b>	<b>8,207,754</b>	<b>1,006,107</b>
<u>Pupil Transportation</u>				
Salaries and Wages	2,475,000	2,475,000	2,450,431	24,569
Fringe Benefits	689,220	689,220	674,343	14,877
Purchased Services	371,000	377,000	367,953	9,047
Materials and Supplies	417,000	448,500	425,065	23,435
Capital Outlay - Replacement	416,823	416,823	411,286	5,537
<b>Total Pupil Transportation</b>	<b>4,369,043</b>	<b>4,406,543</b>	<b>4,329,078</b>	<b>77,465</b>
<u>Central</u>				
Salaries and Wages	859,000	859,000	854,439	4,561
Fringe Benefits	238,760	238,760	228,592	10,168
Purchased Services	171,600	191,600	145,794	45,806
Materials and Supplies	139,200	139,200	93,938	45,262
Capital Outlay	48,400	48,400	40,774	7,626
Other Expenditures	18,201	18,201	14,526	3,675
<b>Total Central</b>	<b>\$1,475,161</b>	<b>\$1,495,161</b>	<b>\$1,378,063</b>	<b>\$117,098</b>

continued

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Community Services</u>				
Salaries and Wages	\$252,500	\$254,300	\$254,158	\$142
Fringe Benefits	48,310	46,510	46,421	89
Materials and Supplies	1,600	1,600	1,443	157
Other Expenditures	39,000	39,000	38,964	36
Total Community Services	341,410	341,410	340,986	424
<u>Extracurricular Activities</u>				
Salaries and Wages	1,019,025	1,015,025	999,679	15,346
Fringe Benefits	178,940	182,940	181,517	1,423
Purchased Services	42,300	48,900	37,330	11,570
Total Extracurricular Activities	1,240,265	1,246,865	1,218,526	28,339
Total Expenditures	79,397,190	79,358,209	76,842,007	2,516,202
Excess of Revenues Over (Under) Expenditures	(4,325,090)	(4,399,109)	(1,652,844)	2,746,265
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	15,000	15,000	36,530	21,530
Total Other Financing Sources (Uses)	15,000	15,000	36,530	21,530
Net Change in Fund Balance	(4,310,090)	(4,384,109)	(1,616,314)	2,767,795
Fund Balance Beginning of Year	14,039,069	14,039,069	14,039,069	0
Prior year encumbrances appropriated	600,994	600,994	600,994	0
Fund Balance End of Year	\$10,329,973	\$10,255,954	\$13,023,749	\$2,767,795

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Food Service Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$3,500	\$3,573	\$3,626	\$53
Intergovernmental	875,715	893,833	907,144	13,311
Charges for Services	2,020,785	2,062,594	2,093,311	30,717
Total Revenues	2,900,000	2,960,000	3,004,081	44,081
Expenditures:				
Current:				
Operation of Non-instructional Services	3,063,600	3,250,000	3,004,377	245,623
Total Expenditures	3,063,600	3,250,000	3,004,377	245,623
Net Change in Fund Balance	(163,600)	(290,000)	(296)	289,704
Fund Balance Beginning of Year	353,341	353,341	353,341	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$189,741	\$63,341	\$353,045	\$289,704

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Customer Service Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$15,000	\$7,900	\$9,612	\$1,712
Total Revenues	15,000	7,900	9,612	1,712
Expenditures:				
Current:				
Instruction:				
Vocational	10,200	14,000	10,636	3,364
Total Expenditures	10,200	14,000	10,636	3,364
Net Change in Fund Balance	4,800	(6,100)	(1,024)	5,076
Fund Balance Beginning of Year	9,040	9,040	9,040	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$13,840	\$2,940	\$8,016	\$5,076

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, 2004

	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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Extracurricular Activities	\$510,000	\$444,000	\$463,235	\$19,235
Total Revenues	510,000	444,000	463,235	19,235
Expenditures:				
Current:				
Extracurricular Activities	523,100	600,000	460,540	139,460
Total Expenditures	523,100	600,000	460,540	139,460
Net Change in Fund Balance	(13,100)	(156,000)	2,695	158,695
Fund Balance Beginning of Year	171,091	171,091	171,091	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$157,991	\$15,091	\$173,786	\$158,695



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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$6,000	\$6,000	\$6,000	\$0
Intergovernmental	2,194,000	2,266,121	2,266,121	0
<b>Total Revenues</b>	<b>2,200,000</b>	<b>2,272,121</b>	<b>2,272,121</b>	<b>0</b>
Expenditures:				
Current:				
Community Services	2,384,645	2,475,791	2,210,397	265,394
<b>Total Expenditures</b>	<b>2,384,645</b>	<b>2,475,791</b>	<b>2,210,397</b>	<b>265,394</b>
<b>Net Change in Fund Balance</b>	<b>(184,645)</b>	<b>(203,670)</b>	<b>61,724</b>	<b>265,394</b>
Fund Balance Beginning of Year	19,025	19,025	19,025	0
Prior year encumbrances appropriated	184,645	184,645	184,645	0
<b>Fund Balance End of Year</b>	<b>\$19,025</b>	<b>\$0</b>	<b>\$265,394</b>	<b>\$265,394</b>

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$26,000	\$19,805	\$19,805	\$0
Total Revenues	26,000	19,805	19,805	0
Expenditures:				
Current:				
Instruction:				
Regular	12,362	8,895	8,895	0
Support Services:				
Instructional Staff	8,770	6,310	6,310	0
School Administration	955	687	687	0
Total Expenditures	22,087	15,892	15,892	0
Net Change in Fund Balance	3,913	3,913	3,913	0
Fund Balance Beginning of Year	(3,913)	(3,913)	(3,913)	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)  
 Education Management Information System Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$38,000	\$23,359	\$39,034	\$15,675
Total Revenues	38,000	23,359	39,034	15,675
Expenditures:				
Current:				
Support Services:				
Central	77,000	36,086	34,500	1,586
Total Expenditures	77,000	36,086	34,500	1,586
Net Change in Fund Balance	(39,000)	(12,727)	4,534	17,261
Fund Balance Beginning of Year	39,208	39,208	39,208	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$208	\$26,481	\$43,742	\$17,261

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$149,418	\$149,418	\$149,418	\$0
Total Revenues	149,418	149,418	149,418	0
Expenditures:				
Current:				
Instruction:				
Regular	90,631	90,631	90,631	0
Support Services:				
Pupil	18,224	18,224	18,224	0
Instructional Staff	48,794	48,794	48,794	0
Total Expenditures	157,649	157,649	157,649	0
Net Change in Fund Balance	(8,231)	(8,231)	(8,231)	0
Fund Balance Beginning of Year	8,231	8,231	8,231	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)  
 Disadvantaged Pupil Impact Aid Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$87,500	\$106,215	\$106,215	\$0
Total Revenues	87,500	106,215	106,215	0
Expenditures:				
Current:				
Instruction:				
Special	87,500	106,215	102,555	3,660
Total Expenditures	87,500	106,215	102,555	3,660
Net Change in Fund Balance	0	0	3,660	3,660
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$3,660	\$3,660

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$10,000	\$6,750	\$6,750	\$0
Total Revenues	10,000	6,750	6,750	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	15,000	12,608	5,977	6,631
Total Expenditures	15,000	12,608	5,977	6,631
Net Change in Fund Balance	(5,000)	(5,858)	773	6,631
Fund Balance Beginning of Year	5,858	5,858	5,858	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$858	\$0	\$6,631	\$6,631

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$112,500	\$112,500	\$112,500	\$0
<b>Total Revenues</b>	<b>112,500</b>	<b>112,500</b>	<b>112,500</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Regular	48,874	48,874	48,874	0
Support Services:				
Instructional Staff	63,637	63,637	63,637	0
<b>Total Expenditures</b>	<b>112,511</b>	<b>112,511</b>	<b>112,511</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>	<b>0</b>
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	11	11	11	0
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Student Intervention Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$197,515	\$197,515	\$0
Total Revenues	0	197,515	197,515	0
Expenditures:				
Current:				
Instruction:				
Special	0	121,657	100,778	20,879
Support Services:				
Instructional Staff	0	52,915	43,834	9,081
Pupil Transportation	0	16,901	14,000	2,901
Community Services	0	6,042	5,005	1,037
Total Expenditures	0	197,515	163,617	33,898
Net Change in Fund Balance	0	0	33,898	33,898
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$33,898	\$33,898



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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$9,067	\$11,003	\$11,003	\$0
Total Revenues	9,067	11,003	11,003	0
Expenditures:				
Current:				
Support Services:				
Pupil	9,067	11,003	11,003	0
Total Expenditures	9,067	11,003	11,003	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Schools-that-Work Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$13,000	\$0	\$0	\$0
Total Revenues	13,000	0	0	0
Expenditures:				
Current:				
Support Services:				
Pupil	14,400	1,400	1,400	0
Total Expenditures	14,400	1,400	1,400	0
Net Change in Fund Balance	(1,400)	(1,400)	(1,400)	0
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	1,400	1,400	1,400	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)  
 Entry Year Teachers Grant Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$28,000	\$20,900	\$20,900	\$0
Total Revenues	28,000	20,900	20,900	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	28,000	20,900	20,900	0
Total Expenditures	28,000	20,900	20,900	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
IDEA B Special Education Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$1,120,000	\$1,335,851	\$1,297,851	(\$38,000)
<b>Total Revenues</b>	<b>1,120,000</b>	<b>1,335,851</b>	<b>1,297,851</b>	<b>(38,000)</b>
Expenditures:				
Current:				
Instruction:				
Special	294,873	345,789	328,666	17,123
Support Services:				
Pupil	289,001	338,904	322,121	16,783
Instructional Staff	308,699	362,003	344,077	17,926
School Administration	215,621	252,853	240,332	12,521
Community Services	132,346	155,198	147,513	7,685
<b>Total Expenditures</b>	<b>1,240,540</b>	<b>1,454,747</b>	<b>1,382,709</b>	<b>72,038</b>
<b>Net Change in Fund Balance</b>	<b>(120,540)</b>	<b>(118,896)</b>	<b>(84,858)</b>	<b>34,038</b>
Fund Balance Beginning of Year	121,201	121,201	121,201	0
Prior year encumbrances appropriated	39	39	39	0
<b>Fund Balance End of Year</b>	<b>\$700</b>	<b>\$2,344</b>	<b>\$36,382</b>	<b>\$34,038</b>

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$150,000	\$178,465	\$178,465	\$0
<b>Total Revenues</b>	<b>150,000</b>	<b>178,465</b>	<b>178,465</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Vocational	117,606	137,558	137,558	0
Support Services:				
Pupil	27,622	32,308	32,308	0
Instructional Staff	17,113	20,016	20,016	0
School Administration	5,450	6,374	6,374	0
<b>Total Expenditures</b>	<b>167,791</b>	<b>196,256</b>	<b>196,256</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(17,791)</b>	<b>(17,791)</b>	<b>(17,791)</b>	<b>0</b>
Fund Balance Beginning of Year	(23,574)	(23,574)	(23,574)	0
Prior year encumbrances appropriated	41,365	41,365	41,365	0
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title III LEP Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$22,000	\$32,524	\$29,003	(\$3,521)
<b>Total Revenues</b>	<b>22,000</b>	<b>32,524</b>	<b>29,003</b>	<b>(3,521)</b>
Expenditures:				
Current:				
Instruction:				
Special	27,207	37,091	32,942	4,149
Support Services:				
Pupil	1,632	2,225	1,976	249
Community Services	685	935	830	105
<b>Total Expenditures</b>	<b>29,524</b>	<b>40,251</b>	<b>35,748</b>	<b>4,503</b>
<b>Net Change in Fund Balance</b>	<b>(7,524)</b>	<b>(7,727)</b>	<b>(6,745)</b>	<b>982</b>
Fund Balance Beginning of Year	6,203	6,203	6,203	0
Prior year encumbrances appropriated	1,524	1,524	1,524	0
<b>Fund Balance End of Year</b>	<b>\$203</b>	<b>\$0</b>	<b>\$982</b>	<b>\$982</b>

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$800,000	\$1,144,599	\$1,144,599	\$0
<b>Total Revenues</b>	<b>800,000</b>	<b>1,144,599</b>	<b>1,144,599</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Special	575,363	792,204	718,961	73,243
Support Services:				
Instructional Staff	199,968	275,331	249,875	25,456
School Administration	9,674	13,321	12,089	1,232
Community Services	43,115	59,364	53,875	5,489
<b>Total Expenditures</b>	<b>828,120</b>	<b>1,140,220</b>	<b>1,034,800</b>	<b>105,420</b>
<b>Net Change in Fund Balance</b>	<b>(28,120)</b>	<b>4,379</b>	<b>109,799</b>	<b>105,420</b>
Fund Balance Beginning of Year	27,917	27,917	27,917	0
Prior year encumbrances appropriated	220	220	220	0
<b>Fund Balance End of Year</b>	<b>\$17</b>	<b>\$32,516</b>	<b>\$137,936</b>	<b>\$105,420</b>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title V Innovative Projects Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$95,000	\$95,720	\$95,720	\$0
Total Revenues	95,000	95,720	95,720	0
Expenditures:				
Current:				
Instruction:				
Special	65,270	66,038	48,543	17,495
Support Services:				
Instructional Staff	22,445	22,709	16,693	6,016
Pupil Transportation	2,958	2,993	2,200	793
Community Services	17,646	17,854	13,124	4,730
Total Expenditures	108,319	109,594	80,560	29,034
Net Change in Fund Balance	(13,319)	(13,874)	15,160	29,034
Fund Balance Beginning of Year	12,583	12,583	12,583	0
Prior year encumbrances appropriated	1,319	1,319	1,319	0
Fund Balance End of Year	\$583	\$28	\$29,062	\$29,034



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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$50,000	\$44,580	\$44,580	\$0
Total Revenues	50,000	44,580	44,580	0
Expenditures:				
Current:				
Instruction:				
Regular	5,240	4,455	4,100	355
Support Services:				
Pupil	14,584	12,399	11,412	987
Instructional Staff	28,967	24,626	22,667	1,959
Community Services	2,964	2,520	2,319	201
Total Expenditures	51,755	44,000	40,498	3,502
Net Change in Fund Balance	(1,755)	580	4,082	3,502
Fund Balance Beginning of Year	4,110	4,110	4,110	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$2,355	\$4,690	\$8,192	\$3,502

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title II-A Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$250,000	\$358,354	\$358,354	\$0
Total Revenues	250,000	358,354	358,354	0
Expenditures:				
Current:				
Instruction:				
Regular	135,361	186,869	165,492	21,377
Support Services:				
Instructional Staff	150,309	207,505	183,767	23,738
Community Services	230	317	281	36
Total Expenditures	285,900	394,691	349,540	45,151
Net Change in Fund Balance	(35,900)	(36,337)	8,814	45,151
Fund Balance Beginning of Year	31,658	31,658	31,658	0
Prior year encumbrances appropriated	4,900	4,900	4,900	0
Fund Balance End of Year	\$658	\$221	\$45,372	\$45,151

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Current:				
Instruction:				
Special	5,314	5,314	5,314	0
Total Expenditures	5,314	5,314	5,314	0
Net Change in Fund Balance	(5,314)	(5,314)	(5,314)	0
Fund Balance Beginning of Year	5,057	5,057	5,057	0
Prior year encumbrances appropriated	257	257	257	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)  
 OCIS Awareness Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$4,394	\$4,394	\$0
Total Revenues	0	4,394	4,394	0
Expenditures:				
Current:				
Instruction:				
Vocational	908	3,773	2,915	858
Support Services:				
Instructional Staff	484	2,013	1,555	458
Total Expenditures	1,392	5,786	4,470	1,316
Net Change in Fund Balance	(1,392)	(1,392)	(76)	1,316
Fund Balance Beginning of Year	1,392	1,392	1,392	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$1,316	\$1,316

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Technology II-D Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$22,000	\$29,259	\$29,259	\$0
<b>Total Revenues</b>	<b>22,000</b>	<b>29,259</b>	<b>29,259</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Regular	5,993	8,039	7,301	738
Support Services:				
Instructional Staff	16,007	21,472	19,500	1,972
<b>Total Expenditures</b>	<b>22,000</b>	<b>29,511</b>	<b>26,801</b>	<b>2,710</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>(252)</b>	<b>2,458</b>	<b>2,710</b>
Fund Balance Beginning of Year	252	252	252	0
Prior year encumbrances appropriated	0	0	0	0
<b>Fund Balance End of Year</b>	<b>\$252</b>	<b>\$0</b>	<b>\$2,710</b>	<b>\$2,710</b>

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$1,495,809	\$1,457,524	\$1,458,627	\$1,103
Intergovernmental	184,191	179,476	179,612	136
Total Revenues	1,680,000	1,637,000	1,638,239	1,239
Expenditures:				
Current:				
Support Services:				
Fiscal	19,713	19,713	19,651	62
Debt Service:				
Principal Retirement	496,551	496,551	495,000	1,551
Interest	1,195,795	1,195,795	1,192,059	3,736
Total Expenditures	1,712,059	1,712,059	1,706,710	5,349
Net Change in Fund Balance	(32,059)	(75,059)	(68,471)	6,588
Fund Balance Beginning of Year	1,207,996	1,207,996	1,207,996	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$1,175,937	\$1,132,937	\$1,139,525	\$6,588

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, 2004

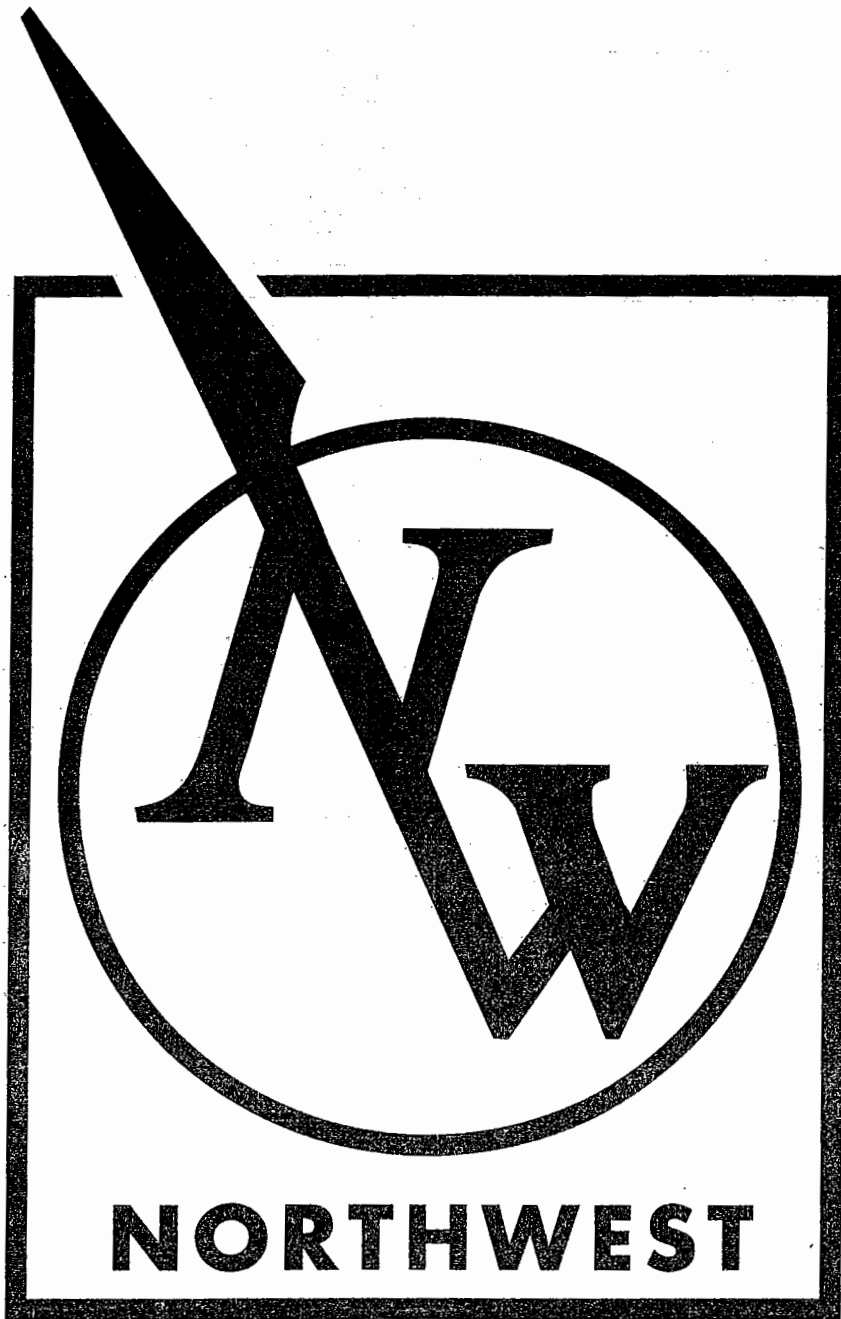
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Revenues	\$1,900,000	\$1,950,000	\$1,952,265	\$2,265
Total Revenues	1,900,000	1,950,000	1,952,265	2,265
Expenditures:				
Current:				
Support Services:				
Operations and Maintenance	1,601	1,601	750	851
Capital Outlay	798,399	798,399	374,000	424,399
Total Expenditures	800,000	800,000	374,750	425,250
Net Change in Fund Balance	1,100,000	1,150,000	1,577,515	427,515
Fund Balance Beginning of Year	831,152	831,152	831,152	0
Prior year encumbrances appropriated	0	0	0	0
Fund Balance End of Year	\$1,931,152	\$1,981,152	\$2,408,667	\$427,515

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$80,000	\$42,000	\$42,000	\$0
Total Revenues	80,000	42,000	42,000	0
Expenditures:				
Current:				
Instruction:				
Regular	102,400	74,398	74,398	0
Total Expenditures	102,400	74,398	74,398	0
Net Change in Fund Balance	(22,400)	(32,398)	(32,398)	0
Fund Balance Beginning of Year	29,998	29,998	29,998	0
Prior year encumbrances appropriated	2,400	2,400	2,400	0
Fund Balance End of Year	<u>\$9,998</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**Statistical  
Section**



**Northwest Local  
School District**



*STATISTICAL TABLES*

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

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NORTHWEST LOCAL SCHOOL DISTRICT  
GENERAL GOVERNMENTAL EXPENSES / EXPENDITURES BY FUNCTION (1)  
LAST TEN FISCAL YEARS  
1995 - 2004

	2004 Fiscal	2003 Fiscal	2002 Fiscal	2001 Fiscal
	Full Accrual	Full Accrual	Full Accrual	
Current:				
Instruction:				
Regular	\$37,633,004	\$35,522,485	\$34,805,741	\$32,195,439
Special	8,211,946	7,772,135	7,141,159	7,455,613
Vocational	2,294,731	2,116,694	2,014,296	2,066,921
Adult	0	0	0	0
Support services:				
Pupil	4,300,406	4,311,310	4,087,427	2,405,827
Instructional staff	5,885,152	5,003,623	4,703,188	2,602,693
General administration	91,142	120,895	87,785	72,804
School administration	5,356,327	5,146,738	5,090,831	4,533,642
Fiscal	1,530,072	1,360,512	1,311,298	1,146,340
Business	574,334	577,629	532,909	476,836
Operations and maintenance	7,559,219	8,245,783	8,058,321	7,913,706
Pupil transportation	4,330,044	4,088,325	3,567,960	3,351,247
Central	1,421,910	1,371,668	1,342,996	1,108,596
Community services	2,692,405	2,924,980	2,679,136	264,171
Operation of Non-instructional services	3,222,318	0	0	0
Extracurricular activities	1,662,910	1,664,320	1,405,292	818,258
Capital outlay	0	0	0	234,412
Debt service	1,190,385	1,211,360	1,228,722	0
Total General Fund	<u>\$87,956,305</u>	<u>\$81,438,457</u>	<u>\$78,057,061</u>	<u>\$66,646,505</u>

Source: Northwest Local School District financial records.

(1) Includes all governmental activities for full accrual. Fiscal years 2001 from 1995 include only the General Fund, presented on the modified accrual basis.

2000 Fiscal	1999 Fiscal	1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal
\$30,005,234	\$27,944,788	\$27,347,120	\$25,265,893	\$24,092,149	\$22,301,665
6,720,099	5,856,493	4,694,653	3,879,394	3,459,908	2,937,546
1,915,200	1,900,644	2,046,039	2,083,848	2,409,255	2,225,170
0	10,023	4,844	5,841	2,742	0
2,213,363	2,147,568	1,848,947	1,702,616	1,665,999	1,440,720
2,507,374	2,408,701	2,264,925	2,087,242	2,207,131	1,796,925
68,186	64,511	62,657	68,728	97,527	61,581
4,223,811	3,907,607	3,720,438	3,444,248	3,240,578	3,236,543
1,055,891	1,011,803	913,884	782,760	754,339	728,143
469,860	435,586	417,343	406,335	390,923	375,436
6,695,399	6,355,384	6,185,747	5,685,638	4,970,707	4,634,504
3,101,010	4,151,188	2,882,750	2,873,654	2,341,484	2,230,831
945,869	859,003	641,796	624,641	581,234	564,512
234,262	229,065	229,665	212,585	177,990	179,829
0	0	0	0	0	0
737,598	682,375	556,431	486,273	392,658	453,882
9,789	0	0	228,030	592,605	876,522
0	0	0	0	0	0
<u>\$60,902,945</u>	<u>\$57,964,739</u>	<u>\$53,817,239</u>	<u>\$49,837,726</u>	<u>\$47,377,229</u>	<u>\$44,043,809</u>

NORTHWEST LOCAL SCHOOL DISTRICT  
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN FISCAL YEARS  
1995 - 2004

	2004 Fiscal	2003 Fiscal	2002 Fiscal	2001 Fiscal	2000 Fiscal
	Full Accrual	Full Accrual	Full Accrual		
<b>Program Revenues</b>					
Charges for services	\$4,273,356	\$2,343,247	\$1,908,466	N/A	N/A
Operating grants and contributions	7,540,130	5,655,375	5,094,519	N/A	N/A
Capital grants and contributions	2,050,671	574,646	360,516	N/A	N/A
<b>General Revenues</b>					
Taxes	35,169,451	42,274,110	39,197,785	\$34,574,697	\$34,748,729
Revenue in lieu of taxes	1,442,401	1,436,898	940,478	747,826	414,737
Tuition	0	0	0	652,988	821,371
Earnings on investments	246,045	383,001	627,818	1,304,978	1,089,943
Intergovernmental	33,634,399	32,216,453	31,204,342	28,529,759	25,843,339
Other local revenues	367,379	323,898	200,581	701,597	616,976
<b>Total Revenue</b>	<b><u>\$84,723,832</u></b>	<b><u>\$85,207,628</u></b>	<b><u>\$79,534,505</u></b>	<b><u>\$66,511,845</u></b>	<b><u>\$63,535,095</u></b>

Source: Northwest Local School District financial records.

- (1) Includes all governmental activities for full accrual. Fiscal years 2001 from 1995 include only the General Fund, presented on the modified accrual basis.
- (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.

<u>1999</u> <u>Fiscal</u>	<u>1998</u> <u>Fiscal (2)</u>	<u>1997</u> <u>Fiscal (3)</u>	<u>1996</u> <u>Fiscal</u>	<u>1995</u> <u>Fiscal</u>
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
\$37,918,458	\$31,764,696	\$27,680,535	\$29,455,801	\$26,030,758
0	0	0	0	0
464,028	283,451	487,996	419,735	498,422
831,628	1,033,108	743,572	780,927	637,204
23,311,757	20,194,194	19,337,128	19,222,784	18,912,722
554,600	1,254,388	630,702	572,568	481,579
<u>\$63,080,471</u>	<u>\$54,529,837</u>	<u>\$48,879,933</u>	<u>\$50,451,815</u>	<u>\$46,560,685</u>

NORTHWEST LOCAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY  
LAST TEN COLLECTION (CALENDAR) YEARS  
1995 - 2004

Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent Collected	Delinquent Collection
2004	\$46,310,668	\$42,402,725	91.56%	\$1,351,030
2003	46,220,339	42,179,489	91.26%	1,074,522
2002	45,657,507	41,684,515	91.30%	1,499,105
2001	44,701,487	41,940,289	93.82%	977,718
2000	44,397,128	40,796,464	91.89%	1,058,792
1999	41,344,648	39,490,148	95.51%	952,897
1998	35,218,006	34,456,186	97.84%	936,117
1997	31,182,318	30,038,073	96.33%	863,955
1996	29,819,396	29,670,430	99.50%	634,158
1995	29,938,667	29,416,613	98.26%	658,871

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
\$43,753,755	94.48%	\$1,209,932	2.61%
43,254,011	93.58%	1,371,932	2.97%
43,183,620	94.58%	1,159,751	2.54%
42,918,007	96.01%	1,626,612	3.64%
41,855,256	94.27%	1,042,081	2.35%
40,443,045	97.82%	725,190	1.75%
35,392,303	100.49%	252,973	0.72%
30,902,028	99.10%	1,163,456	3.73%
30,304,588	101.63%	1,175,227	3.94%
30,075,484	100.46%	495,154	1.65%

NORTHWEST LOCAL SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN COLLECTION (CALENDAR) YEARS (1)  
 1995 - 2004

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2004	\$1,362,790,120	\$3,893,686,057	\$80,470,050	\$321,880,200
2003	\$1,349,682,730	\$3,856,236,371	\$92,866,910	\$371,467,640
2002	1,237,011,150	3,534,317,571	97,329,980	389,319,920
2001	1,208,252,230	3,452,149,229	90,245,710	360,982,840
2000	1,208,116,000	3,451,760,000	95,055,550	380,222,200
1999	998,197,040	2,851,991,543	91,721,330	366,885,320
1998	979,857,920	2,799,594,057	93,311,490	373,245,960
1997	956,619,790	2,733,199,400	90,163,750	360,655,000
1996	908,569,530	2,595,912,943	84,885,450	339,541,800
1995	883,938,400	2,525,538,286	75,673,990	302,695,960

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		Ratio (2)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$39,727,050	\$80,500,608	\$1,482,987,220	\$4,296,066,865	34.52%
\$39,296,490	\$79,631,096	\$1,481,846,130	\$4,307,335,107	34.40%
37,730,740	76,458,231	1,372,071,870	4,000,095,722	34.30%
54,842,530	62,321,057	1,353,340,470	3,875,453,125	34.92%
59,406,000	67,506,818	1,362,577,550	3,899,489,018	34.94%
57,518,280	65,361,682	1,147,436,650	3,284,238,545	34.94%
56,979,500	64,749,432	1,130,148,910	3,237,589,449	34.91%
59,573,940	67,697,659	1,106,357,480	3,161,552,059	34.99%
57,953,340	65,856,068	1,051,408,320	3,001,310,811	35.03%
60,128,740	68,328,114	1,019,741,130	2,896,562,359	35.21%

NORTHWEST LOCAL SCHOOL DISTRICT  
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN COLLECTION (CALENDAR) YEARS  
1995 - 2004

Tax Year	2003	2002	2001	2000
Collection Year	2004	2003	2002	2001
Northwest Local School District	\$49.64	\$49.64	\$47.80	\$49.80
Fairfield City	5.94	5.94	5.94	5.94
Forest Park City	11.08	11.08	11.08	6.33
North College Hill City	6.68	6.68	6.68	6.68
Colerain Township	16.18	16.18	15.18	15.18
Green Township	8.31	8.31	8.31	8.81
Springfield Township	20.30	20.30	20.30	14.30
Hamilton County	21.51	21.87	21.47	19.92

Source: Hamilton County Auditor.

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$50.13	\$50.18	\$50.18	\$43.15	\$43.15	\$43.18
4.54	4.54	4.54	4.54	4.54	4.25
6.33	6.33	6.33	6.33	6.33	6.33
6.68	6.68	6.68	6.68	4.88	4.88
10.84	12.34	12.34	12.34	12.34	12.34
8.81	8.81	8.81	8.81	8.81	7.06
14.30	14.30	14.30	13.30	13.30	12.30
20.83	19.54	19.01	19.44	18.30	18.33

NORTHWEST LOCAL SCHOOL DISTRICT  
RATIO OF NET GENERAL BONDED DEBTS TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN COLLECTION (CALENDAR) YEARS  
1995 - 2004

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
2004	85,875	\$1,482,987,220	\$22,845,000	\$1,503,424	\$21,341,576	1.44%	\$249
2003	85,875	1,481,846,130	23,340,000	1,737,195	21,602,805	1.46%	252
2002	85,875	1,372,071,870	23,790,000	1,628,901	22,161,099	1.62%	258
2001	85,875	1,353,340,470	24,200,000	1,517,390	22,682,610	1.68%	264
2000	85,875	1,362,577,550	24,575,000	1,429,554	23,145,446	1.70%	270
1999	67,373	1,147,436,650	24,910,000	1,070,537	23,839,463	2.08%	354
1998	67,373	1,130,148,910	25,000,000	553,118	24,446,882	2.16%	363
1997	67,373	1,106,357,480	0	38,134	0	0.00%	0
1996	67,373	1,051,408,320	150,000	192,447	0	0.00%	0
1995	67,373	1,019,741,130	300,000	253,490	46,510	0.00%	1

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, 2004

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Northwest Local School District	\$22,845,000	100.00%	\$22,845,000
Overlapping:			
Fairfield City	19,570,000	0.01%	1,957
Forest Park City	6,750,000	12.48%	842,400
North College Hill City	1,302,333	1.14%	14,847
Colerain Township	10,355,000	93.30%	9,661,215
Green Township	666,666	27.75%	185,000
Fairfield Township	2,015,255	0.54%	10,882
Springfield Township	12,111,833	11.85%	1,435,252
Hamilton County	115,475,000	7.93%	9,157,168
Butler County	76,372,200	0.02%	15,274
Total Overlapping	244,618,287		21,323,995
Total Direct and Overlapping Debt	\$267,463,287		\$44,168,995

Source: Ohio Municipal Advisory Council.

NORTHWEST LOCAL SCHOOL DISTRICT  
 COMPUTATION OF LEGAL DEBT MARGIN  
 AS OF JUNE 30, 2004

Assessed Valuation of District		<u>\$1,482,987,220</u>
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Overall Direct Debt Limitation

Direct Debt Limitation		
9% of Assessed Valuation		\$133,468,850
Amount Available in Debt Service Fund		1,503,424
Gross Indebtedness	\$22,845,000	
Less: Debt Exempt from Limitation	<u>0</u>	
Debt Subject to 9% Limitation		<u>(22,845,000)</u>
Legal Debt Margin Within 9% Limitation		<u>\$112,127,274</u>

Unvoted Direct Debt Limitation

Unvoted Debt Limitation		
0.1% of Assessed Valuation		\$1,482,987
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>\$1,482,987</u>

Energy Conservation Bond Limitation  
 (Ohio Revised Code Section 133.042)

Debt Limitation		
0.9% of Assessed Valuation		\$13,346,885
Energy Conservation Notes Authorized by the Board		0
Legal Debt Margin Within 0.9% Limitation		<u>\$13,346,885</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  
1995 - 2004

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures (%)
2004	\$495,000	\$1,192,059	\$1,687,059	\$75,965,133	2.22%
2003	450,000	1,212,153	1,662,153	72,929,594	2.28%
2002	410,000	1,230,133	1,640,133	71,500,726	2.29%
2001	375,000	1,246,213	1,621,213	66,646,505	2.43%
2000	335,000	1,260,445	1,595,445	60,902,945	2.62%
1999	362,890	1,302,903	1,665,793	57,964,739	2.87%
1998	259,533	889,653	1,149,186	53,817,239	2.14%
1997	396,830	42,594	439,424	49,837,726	0.88%
1996	384,749	64,416	449,165	47,377,229	0.95%
1995	318,490	77,737	396,227	44,043,809	0.90%

Source: Northwest Local School District records.

(1) Includes General Fund only.

NORTHWEST LOCAL SCHOOL DISTRICT  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 1995 - 2004

Fiscal Year	Population (1)	Average Federal Adjusted Gross Income (2)	School Enrollment (3)	Unemployment Rate (4)
2004	85,875	Unavailable	10,647	5.10%
2003	85,875	Unavailable	10,646	5.30%
2002	85,875	\$45,132	10,504	7.20%
2001	85,875	10,510	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%

- 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  
 1995 - 2004

Fiscal Year	Construction	Bank Deposits (1) (000's)	Real Property Values (2)
2004	\$17,155,300	\$147,868,600	\$1,362,790,120
2003	16,263,800	145,359,134	1,349,682,730
2002	18,350,600	133,025,841	1,237,011,150
2001	15,525,000	76,137,192	1,208,252,230
2000	18,475,210	41,302,569	1,208,116,000
1999	23,015,000	23,939,085	998,197,040
1998	19,212,460	18,070,437	979,857,920
1997	21,586,570	21,598,936	956,619,790
1996	21,569,220	19,276,655	908,569,530
1995	27,398,366	17,301,493	883,938,400

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, 2004

Name of Taxpayer	Real Property	Personal Property	Total Assessed Valuation	Percent of Total Assessed Valuation (1)
Cincinnati Gas and Electric Company	\$28,632,360	\$0	\$28,632,360	1.93%
Northgate Partners LLC	27,200,800	0	27,200,800	1.83%
Procter and Gamble Company	5,884,590	12,591,630	18,476,220	1.25%
Rumpke Sanitary Landfill of Ohio Inc.	7,772,790	3,076,410	10,849,200	0.73%
Mills Forest Fair LLC	10,411,520	0	10,411,520	0.70%
KIR Colerain LLC	9,089,200	0	9,089,200	0.61%
Cincinnati Bell	7,948,640	0	7,948,640	0.54%
Schottenstein - Colerain LLC	4,480,280	0	4,480,280	0.30%
Cobblewood Plaza	4,374,740	0	4,374,740	0.29%
Lees Crossing LLC	3,758,390	0	3,758,390	0.25%
<b>Total</b>	<b><u>\$109,553,310</u></b>	<b><u>\$15,668,040</u></b>	<b><u>\$125,221,350</u></b>	<b>8.44%</b>

Source: Hamilton County Auditor.

(1) The assessed valuation of the Northwest Local School District totaled for collection (calendar) year 2004.

NORTHWEST LOCAL SCHOOL DISTRICT  
 NORTHWEST LOCAL SCHOOL DISTRICT AREA  
 TEN LARGEST EMPLOYERS  
 AS OF JUNE 30, 2004

Employer	Nature of Business	Number of Employees
Northwest Local School District	Public Education	1,272
Northgate Mall	Retail	1,125
Procter and Gamble Company	Research and Development	1,100
Rumpke Container Service	Sanitation and Landfill	915
Mills Forrest Fair	Retail	868
Kroger	Retail	424
Walmart	Retail	305
Clippard Instrument Lab Incorporated	Manufacturing	237
Thriftway	Retail	152
United States Postal Office	Postal Service	113

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT  
COST TO EDUCATE A 2004 GRADUATE

School Year (1)	Grade	Annual Per Pupil Cost (2)
1992	K	\$2,110
1993	1	4,391
1994	2	4,243
1995	3	4,508
1996	4	4,708
1997	5	5,462
1998	6	5,929
1999	7	6,399
2000	8	6,539
2001	9	7,129
2002	10	7,504
2003	11	7,606
2004	12	7,914
		<u>\$74,442</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, 2004

Education	Number of Teachers	Percentage of Total
Bachelor's Degree	124	17.71%
Bachelor's Degree + 15 Semester Hours	188	26.86%
Master's Degree	182	26.00%
Master's Degree + 15 Semester Hours	100	14.29%
Master's Degree + 30 Semester Hours	35	5.00%
Master's Degree + 45 Semester Hours	71	10.14%
Total Number of Teachers	700	100.00%

Experience	Number of Teachers	Percentage of Total
0 - 5 years	212	30.29%
6 - 10 years	154	22.00%
10 + years	334	47.71%
Total Number of Teachers	700	100.00%

NORTHWEST LOCAL SCHOOL DISTRICT  
 SCHOOL PARTNERSHIP PROGRAM PARTICIPANTS  
 AS OF JUNE 30, 2004

<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
Colerain Career Center	Home Depot
Houston Elementary School	Joseph Chevrolet Biggs Supermarket
Monfort Heights Elementary School	Caldwell Banker / West Shell Realtors Sur-Seal White Oak Kiwanis
Northwest Senior High School	Huber General Contracting
Pleasant Run Elementary School	Star One Realty Lo Bill Foods
Pleasant Run Middle School	Rumpke Consolidated CO., Inc.
Struble Elementary School	Union Central Life Insurance Company Winton Savings and Loan
Taylor Elementary School	COBCO Enterprises - McDonalds Nestle USA
Weigel Elementary School	Northgate Mall
White Oak Middle School	Hart & Gersbach, CPA
Preschool Program	Border's Books

Source: Northwest Local School District records.



NORTHWEST LOCAL SCHOOL DISTRICT  
 TEN-YEAR ENROLLMENT PROJECTIONS  
 FOR FISCAL YEARS 2005 - 2014

Grade	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
K	837	847	812	837	847	812	837	847	812	886
1	757	745	754	723	745	754	723	745	754	723
2	742	749	737	746	715	737	746	715	737	746
3	753	757	764	752	761	730	752	761	730	752
4	769	753	757	764	752	761	730	752	761	730
5	770	800	783	787	795	782	792	759	782	792
6	832	809	840	822	826	835	821	831	797	821
7	866	824	800	831	814	818	826	813	823	789
8	882	875	832	808	840	822	826	835	821	831
9	1,069	1,014	1,006	957	930	966	946	950	960	945
10	868	1,026	974	966	918	892	927	908	912	921
11	852	833	985	935	927	882	857	890	871	876
12	716	758	742	877	832	825	846	763	792	776
Total	<u>10,713</u>	<u>10,790</u>	<u>10,786</u>	<u>10,805</u>	<u>10,702</u>	<u>10,616</u>	<u>10,629</u>	<u>10,569</u>	<u>10,552</u>	<u>10,588</u>

Source: Northwest Local School District records.

NORTHWEST LOCAL SCHOOL DISTRICT  
 SCHEDULE OF INSURANCE POLICIES  
 AS OF JUNE 30, 2004

Company	Policy Number	Policy Period
Cincinnati Insurance Company	CPP-551-38-53	04/10/00 thru 4/10/2005
Cincinnati Insurance Company	CPP-501-38-53	04/10/00 thru 4/10/2005
Cincinnati Insurance Company	CPP-551-38-53	04/10/00 thru 4/10/2005
Cincinnati Insurance Company	CPP-551-38-53	04/10/00 thru 4/10/2005
Harcum - Schuett Insurance Company	OH4000554-PO2-L	7/10/03 thru 7/10/04
Harcum - Schuett Insurance Company	45XSOA5422	7/10/03 thru 7/10/04
Harcum - Schuett Insurance Company	OH4000554-PO2-A 45XSOA5283	7/10/03 thru 7/10/04
Harcum - Schuett Insurance Company	OH4000554-P01-V	1/22/04 thru 1/01/05

Source: Northwest Local School District records.

Details of Coverage	Liability Limits	Deductible	Annual Premium
Buildings and Contents	\$86,417,996	\$2,500	\$67,386
Earthquake	86,417,996	5.0%	
Radio & Communication Equipment	70,000	250	
Electronic Data Equipment	2,000,000	2,500	
Boiler and Machinery	9,000,000	2,500	
Burglary and Theft (blanket)	50,000	None	
Theft (inside)	10,000		
Theft (outside)	5,000		
Mobile Instruction Unit (Vans) Contents	60,000	500	
Education Liability	1,000,000 Per Incident 3,000,000 Aggregate	None	71,096
Umbrella Liability	2,000,000 Per Incident 2,000,000 Aggregate	None	19,491
Fleet	1,000,000	1,000	126,740
Excess Fleet	1,000,000	None	54,400
Violence Coverage	1,000,000	None	6,213

NORTHWEST LOCAL SCHOOL DISTRICT  
 TRANSPORTATION STATISTICS  
 AS OF JUNE 30, 2004

Number of Assigned School Buses in Fleet:	85
Average Age of School Buses in Fleet:	9

Number of Bus Drivers:	85
Average Number of Years Experience:	10

Number of Miles Driven Per Day:	5,933
Number of Miles Driven Annually:	1,079,806
Average Annual Miles per Bus:	12,704

Number of Students Transported per Day:	
Public School Students	6,335
Non-Public School Students	2,593
Handicapped Students	202
Preschool Students	53
	<hr/>
Total:	9,183

Percent of Student Enrollment Transported:	
Public	71%
Non-Public	28%
Other	1%

Source: Northwest Local School District records.



**Auditor of State  
Betty Montgomery**

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**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  
MARCH 3, 2005**