

NORTHWEST LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Northwest Local School District, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 22, 2010

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NORTHWEST LOCAL SCHOOL DISTRICT, OHIO
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u> (Passed through Ohio Department of Education)				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution)</i>				
National School Lunch Program	n/a	10.555	\$ 249,600	249,600
<i>Cash Assistance</i>				
School Breakfast Program	05PU-2009	10.553	102,131	102,131
National School Lunch Program	LLP4-2009	10.555	970,017	970,017
<i>Cash Assistance Subtotal</i>			<u>1,072,148</u>	<u>1,072,148</u>
Nutrition Cluster Total			<u>1,321,748</u>	<u>1,321,748</u>
Total U.S. Department of Agriculture			<u>1,321,748</u>	<u>1,321,748</u>
<u>U.S. Department of Education:</u> (Passed through Ohio Department of Education)				
Title I Grants to Local Educational Agencies	C1S1-2008	84.010	50,551	77,913
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	1,332,125	1,375,504
Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2009	84.010	23,648	25,439
			<u>1,406,324</u>	<u>1,478,856</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2008	84.027	1,152,347	279,320
Special Education - Grants to States	6BSF-2009	84.027	2,363,077	2,310,347
Special Education - Preschool Grants	PGS1-2007	84.173	-	133
Special Education - Preschool Grants	PGS1-2009	84.173	27,689	62,424
Special Education Cluster Total			<u>3,543,113</u>	<u>2,652,224</u>
Career & Technical Education - Basic Grants to States	20C1-2008	84.048	134	11,000
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2009	84.186	25,309	30,312
State Grants for Innovative Programs	C2S1-2008	84.298	-	8,447
State Grants for Innovative Programs	C2S1-2009	84.298	18,606	18,425
			<u>18,606</u>	<u>26,872</u>
Education Technology State Grants	TJS1-2007	84.318	-	3,419
Education Technology State Grants	TJS1-2008	84.318	2,686	1,150
Education Technology State Grants	TJS1-2009	84.318	16,265	14,043
			<u>18,951</u>	<u>18,612</u>
English Language Acquisition Grants	T3S1-2009	84.365	34,642	34,882
Improving Teacher Quality State Grants	TRS1-2008	84.367	148,383	41,876
Improving Teacher Quality State Grants	TRS1-2009	84.367	269,091	254,900
			<u>417,474</u>	<u>296,776</u>
Total U.S. Department of Education			<u>5,464,553</u>	<u>4,549,534</u>
Total Federal Awards			<u>\$ 6,786,301</u>	<u>5,871,282</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - NUTRITION CLUSTER

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

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

To the Board of Education
Northwest Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the "School District") as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described above is a material weakness.

Compliance And Other Matters

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

We noted certain matters that we reported to management of the School District in a separate letter dated December 22, 2009.

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

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 22, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Northwest Local School District:

Compliance

We have audited the compliance of Northwest Local School District ("School 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, 2009. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questions costs as item 2009-2.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in the School District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the School District's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-2 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the School District's internal control. We did not consider the deficiency described above to be a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 22, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Clark, Schaefer, Harbitt & Co.

Cincinnati, Ohio
December 22, 2009

NORTHWEST LOCAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

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

Special Education Cluster:
CFDA 84.027 – Special Education – Grants to States
CFDA 84.173 – Special Education – Preschool Grants

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
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Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

Finding 2009-1 – Audit Adjustment

During the course of our audit, we identified a misstatement in the financial statements for the year under audit that was not initially identified by the School District's internal control. Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustment was necessary to correct the understatement of intergovernmental receivables of \$426,517.

Management response: The District does recognize that this item was omitted from intergovernmental receivables. This item has been addressed and the District will be revising its process to prevent future oversight.

Section III – Federal Award Findings and Questioned Costs

DEPARTMENT OF EDUCATION

Finding 2009-2 – Special Education Cluster - CFDA No. 84.027 and CFDA No. 87.173

Condition: We performed tests to determine if the School District was properly preparing semi-annual certifications for employees that work solely on a specific federal programs to support salaries and wages. We noted these certifications were prepared on an annual basis by the School District rather than semi-annually.

Criteria: OMB Circular A-87, Attachment B states that where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages are to be supported by periodic certifications that the employee worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semi-annually and will be signed by the employee and supervisor or just the supervisor, if they have firsthand knowledge of the information contained in the certification.

Effect: Lack of proper documentation could result in disallowed costs for the School District's federal programs.

Cause: The School District lacked procedures to ensure the proper completion of certifications on a semi-annual basis.

Recommendation: We recommend the School District implement procedures to ensure these semi-annual certificates are prepared timely to comply with federal regulations.

Managements Response The School District will develop a process for all federal program coordinators which will include a timeline for the semi-annual certifications to be completed. Federal program coordinators will meet with the Treasurer's Office by December 1st and May 1st to have the forms approved by the Treasurer/designee.

NORTHWEST LOCAL SCHOOL DISTRICT
Schedule of Prior Audit Findings
Year Ended June 30, 2009

Finding 2008-1 – Audit Adjustments

During the course of our audit, we identified material misstatements in the financial statements for the year under audit that were not initially identified by the Schools District's internal control. Throughout the year, the Schools District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustments were necessary to correct errors in the School District's conversion process. A description of each adjustment follows:

- *Accounts Payables.* An audit adjustment was necessary to correct accounts payables in the financial statements. Accounts payables reported at June 30, 2008 in the Other Governmental Funds were understated by \$484,002 as the School District omitted a certain item when capturing data in regards to liabilities owed at year-end.
- *Compensated Absences.* An audit adjustment was necessary to correct Governmental Activities compensated absences in the financial statements. The School District did not properly accrue severance for eligible employees at year-end which resulted in understatement of compensated absences in the amount of \$1,104,373.

Status: An audit adjustment was noted during the FY2009 audit. Finding will be re-issued as Finding 2009-1.

Finding 2008-2 – Internal Controls

As part of our audit, we tested the operating effectiveness of internal controls over the non-payroll disbursement cycle. The School District's accounting policies and procedures require the Treasurer to approve and initial purchase orders. In our sample of 40 disbursements, we noted two purchase orders were not initialed by the Treasurer. In addition, the School District's accounting policies and procedures require the party receiving a good or service to sign the purchase order or invoice indicating that the goods or services were received and the School District should pay the vendor. In our sample of 40 disbursements, we noted two purchase orders/invoices that were not signed indicating that the goods or services had been received by the District. These two procedures are considered important functions in minimizing the risk of improper disbursements. We recommend the Treasurer approve and document the approval of all purchase orders and that all purchase orders or invoices are marked with documentation to support the receipt of goods or services.

Status: Corrected.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Education
Northwest Local School District:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on April 23, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (6) A procedure for documenting any prohibited incident that is reported;

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- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 22, 2009

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009



2009-2010

*Continuing the Tradition of
Educating Tomorrow's Leaders Today.*

**NORTHWEST LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO**

**NORTHWEST LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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INTRODUCTORY SECTION





NORTHWEST LOCAL SCHOOL DISTRICT

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

BOARD:

Fred Hunt, President

Pamela Detzel, Vice President

Jim Detzel, Member

Bruce Gehring, Member

Dan Unger, Member

J. Richard Glatfelter, Superintendent

Randall R. Bertram, Treasurer/CFO

December 22, 2009

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, 2009, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from Clark, Schaefer, Hackett & Co. 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 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, LaSalle High School, Our Lady of Grace, Saint Bernard, Saint Ignatius, Saint James, Saint Joseph Villa and Saint John Elementary Schools. While these organizations share operational and service similar with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, in a suburb of Cincinnati, in the north part of Hamilton County. Approximately 81% of the District's tax base is agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains optimistic despite current economic conditions. Unemployment rates are consistent with national averages. Real estate values are remaining stronger than anticipated while optimism for recovery is growing stronger.

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 steady.

The District now houses 9,616 students in two high schools, three middle schools, eight elementary schools and two career centers. Each high school has an on-campus career center offering such programs as word processing, accounting and computing, data processing, diesel mechanics, machine tool technology, facilities management and electronics offered by Butler Tech. Students also can attend off-site career technical programs offered by Butler Tech.

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2008 Enrollment</i>
1923	Colerain Elementary 4850 Poole Road	852
1932	Colerain Middle School 4700 Poole Road	670
1959	Struble Elementary 2760 Jonrose Avenue	408
1960	Taylor Elementary 3173 Springdale Road	488

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2008 Enrollment</i>
1961	White Oak Middle School 3130 Jessup Road	751
1961	Pleasant Run Elementary 11765 Hamilton Avenue	394
1964	Colerain High School 8801 Cheviot Road	2,151
1965	Weigel Elementary 3242 Banning Road	470
1966	Houston Elementary 3310 Compton Road	0
1969	Pleasant Run Middle 11770 Pippin Road	867
1970	Bevis Elementary 10133 Pottinger Road	429
1972	Northwest High School 10761 Pippin Road	1,104
1977	Welch Elementary 12084 Deerhorn Drive	387
2000	Monfort Heights Elementary 3711 West Fork Road	645

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

Welch is a primary school with grades K through 2.

Pleasant Run Elementary is an intermediate school with grades 3 through 5.

ORGANIZATION OF THE SCHOOL DISTRICT

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

The Board members represent a cross section of professions in the community. The board members on June 30, 2009, were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Jim Detzel	January, 2008	December, 2011	Business Executive
Pamela Detzel	January, 1998	December, 2009	Business Executive
Bruce Gehring	January, 2006	December, 2009	Business Executive
Fred E. Hunt, III	November, 2004	December, 2009	Business Executive
Dan Unger	January, 2008	December, 2011	Business Executive

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Richard Glatfelter was appointed Superintendent in 2006. Mr. Glatfelter received his Bachelor of Science in Education from the University of Cincinnati and earned two Master degrees from the University of Cincinnati. He has been employed by the Northwest Local School District for the past 39 years. During this tenure, Mr. Glatfelter has served as a teacher, assistant principal, administrative assistant, director and assistant superintendent.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mr. Randall R. Bertram was appointed Treasurer of the District in August, 2008. Mr. Bertram holds an A.A.S. Finance Degree from Sinclair Community College and a B.S. in Business Administration from Urbana University. Mr. Bertram has been in school finance since 2001.

EMPLOYEE RELATIONS

The District currently has approximately 1,158 full-time employees. The number of employees has been steady for the last several years. During the 2009 fiscal year, the District paid, from its General Fund \$49,703,785 in salaries and wages, and \$15,467,705 in fringe benefits, such as retirement contributions, Medicare taxes, workers' compensation, and life, dental and health benefits.

The District's teachers are represented for collective bargaining purposes by the Northwest Association of Educators [NAE]. The District has a three year collective bargaining agreement with NAE which expires August 31, 2012. 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, 2012.

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 5,748 students each day. The District fleet of 99 buses travels over 5,459 miles each day transporting to 25 different sites. In addition to making more than 446 daily runs, the department transported both public and non-public students on 1,607 extra-curricular trips during the year.

The food service department served 1,009,006 plate lunches through the District's 13 kitchens. This is accomplished through the full operation of 11 kitchens and 2 satellite sites, as well as a central bakery. The District currently offers a breakfast program at four elementary sites and one 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 423 students in the specific trades through career technical education. Over 1,400 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 339 students participated in the gifted program. The District presented 712 high school diplomas in 2009.

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 2009-2010 AND BEYOND

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

DISTRICT GOALS AND STRATEGIES FOR 2009-2010

DISTRICT FOCUS: IMPROVE STUDENT ACHIEVEMENT AND FISCAL STABILITY

Goal 1: To improve student achievement by providing high quality instruction, a wide range of educational programs, learning opportunities and safe environments to meet the needs of all students.

- 1.1 Complete Implementation Plan for Seniors to Sophomores in cooperation with Cincinnati State and begin work with University of Cincinnati for this same purpose
- 1.2 Complete the transition of high school from block schedule to 7 bell schedule
- 1.3 Expanded training for all staff with at least a BA with more opportunities for college credit, and a greater emphasis on differentiation

- 1.4 Expand the role of the district police investigator through the student support team
- 1.5 Implement summer and evening enrichment programs by the end of school year 2009-10
- 1.6 Provide a structure for increased internship and mentorship opportunities for students
- 1.7 Expand vertical K-12 articulation in each core content area
- 1.8 Study the feasibility of adding AP classes and more opportunities for national testing

Goal 2: To meet all state and federal accountability standards, program mandates and reporting requirements.

- 2.1 Ensure that all stakeholders are adequately informed of graduation requirements and the impact that failures, expulsions and suspension can have on a student's chances to graduate
- 2.2 Begin to plan a high quality professional development program for all staff for implementing Culturally Responsive Practices
- 2.3 Pilot elementary alternative programs at Welch and Pleasant Run Schools
- 2.4 Pilot the Student Support Team as a K-12 model.

Goal 3: To provide adequate financial resources and physical facilities to meet the needs of the district's educational programs.

- 3.1 Renew operating levy in 2010
- 3.2 Plan for effective use and monitoring of Federal Stimulus Funds
- 3.3 Plan for pilot of Title I Pooling.

Goal 4: To maintain open lines of communication with all customer groups to ensure that, when appropriate, decisions are based on the needs and beliefs of the community.

- 4.1 Revise District Policy & Procedures Manual

CURRICULUM AND INSTRUCTION

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

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

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

The high schools have refined 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 guided study halls are in place to provide necessary intervention for ninth and tenth graders.

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

BUSINESS-SCHOOL PARTNERSHIP PROGRAM

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

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

LONG-RANGE BUILDING AND MAINTENANCE PLANS

The District maintains a five year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance check list. This five year plan provides the District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection of costs for these projects. Beginning in spring 2008, the District began a renovation program.

RELEVANT FINANCIAL POLICIES

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the funding for the OEBM is going to be phased in for FY10 and FY11 by allocating the funding for each year based on 99% of the FY09 funding and 98% of the FY10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY11. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

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

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

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

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

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

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

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

FINANCIAL CONDITION

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

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

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary 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 2009 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 \$433,779 for the year ended June 30, 2009.

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 Ohio School Plan provides our liability insurance and insures our fleet of vehicles.

All employees are covered under the District's liability policy with Ohio School Plan. The limits of liability are \$2,000,000 for each occurrence and \$2,000,000 in aggregate.

The Superintendent, Director of Business Services, Board Members and Treasurer are covered with performance bonds from the Cincinnati 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. Clark, Schaefer, Hackett & Co.'s unqualified opinion rendered on the District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

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, 2008. 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, 2008. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2009, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2009 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the District's Treasurer's Department and 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 "Randall R. Bertram". The signature is written in black ink and is positioned above the printed name and title.

Randall R. Bertram
Treasurer/CFO

LIST OF PRINCIPAL OFFICIALS
As of June 30, 2009

ELECTED OFFICIALS

Fred E. Hunt III..... President, Board of Education
Pamela Detzel Vice-President, Board of Education
Bruce Gehrig..... Board Member
Jim Detzel Board Member
Dan Unger..... Board Member

ADMINISTRATIVE OFFICE PERSONNEL

J. Richard Glatfelter..... Superintendent
Mark Farmer Assistant Superintendent for Curriculum
Andrew Jackson.....Director of Curriculum Services
Daniel Lawler Interim Business Services Administrator
Pauletta Crowley..... Administrative Assistant Community & Administrative Services
Roger ArgalasAdministrative Assistant of Student Services
Gregory Hester..... Director of Human Resources
Traci Rea.....Administrative Assistant of Classified Staff and Professional Development
Randall R. Bertram Treasurer/CFO
Kris Lankford..... Assistant Treasurer

DISTRICT SUPERVISORS

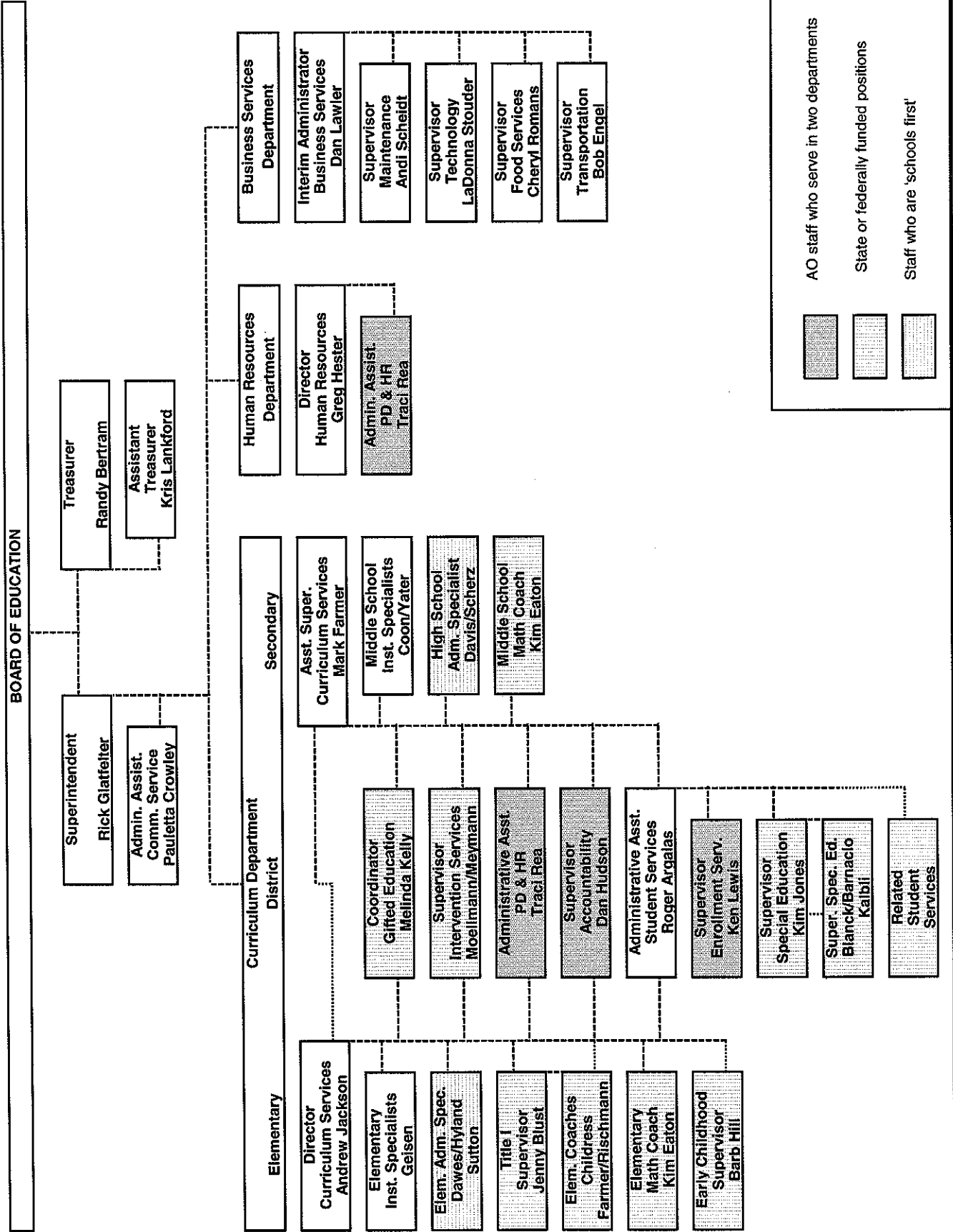
Andreas Scheidt.....Maintenance
Robert EngelTransportation
LaDonna Stouder Technology
Mary Barnaclo Special Education
Sandy Blanck Special Education
Kimberly Jones Special Education
Barbara Kalbli..... Special Education
Susan Meymann.....Supervisor of Intervention Services
Allen MoellmanSupervisor of Intervention Services
Dennis Carroll..... Network Manager
Cheryl Romans Food Services
Daniel Hudson Supervisor for Instructional Accountability Services
Grace Seurkamp.....Compliance Supervisor
Kenneth Lewis Enrollment Services Supervisor

CURRICULUM INSTRUCTIONAL SPECIALISTS AND COORDINATORS

Jennifer Blust Early Childhood
Mary Geisen..... Elementary
Kathy Hyland..... Elementary
Patricia Coon-Knochelmann..... Secondary
Karen Helmes Elementary
Reena Fish Work-Study
Shonda Moore..... Health Services
Barbara Hill Early Childhood
Gail Davis Secondary
Darrell Yater Secondary
Melinda Kelly Gifted
Kim Eaton..... Secondary
Chris Roabold Elementary Library
Casey Scherz..... Secondary

NORTHWEST LOCAL SCHOOL DISTRICT ADMINISTRATIVE CENTER FLOW CHART: EFFECTIVE JULY 1, 2009

06-23-09



AO staff who serve in two departments

State or federally funded positions

Staff who are 'schools first'

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Northwest Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R. R. T."

President

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

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, 2008

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

Angela Peterson

President

John D. Munn

Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Northwest Local School District, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the "School District") as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District as of June 30, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison information on pages 3 through 10 and 44 through 46, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

105 east fourth street, ste. 1500
cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

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

Clark, Schaefer, Harshbarger & Co.

Cincinnati, Ohio
December 22, 2009

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2009
(Unaudited)**

The discussion and analysis of Northwest Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- Net assets of governmental activities increased \$7,279,360 which represents a 33% increase from 2008.
- General revenues accounted for \$84,243,741 in revenue or 83% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$16,958,587 or 17% of total revenues of \$101,202,328.
- The District had \$93,922,968 in expenses related to governmental activities; \$16,958,587 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$84,243,741 were also used to provide for these programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund is the only major fund of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2009?" The *Government-wide Financial Statements* answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Fund Financial Statements

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

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

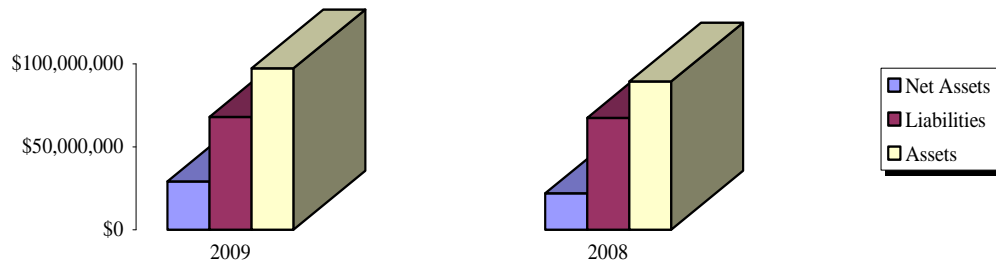
Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for fiscal year 2009 compared to fiscal year 2008:

Table 1
Net Assets

	Governmental Activities	
	2009	2008
Assets:		
Current and Other Assets	\$73,902,375	\$65,665,167
Capital Assets	23,269,784	23,600,600
Total Assets	97,172,159	89,265,767
Liabilities:		
Other Liabilities	43,162,154	41,120,915
Long-Term Liabilities	24,855,484	26,269,691
Total Liabilities	68,017,638	67,390,606
Net Assets:		
Invested in Capital Assets, Net of Related Debt	3,408,154	2,857,440
Restricted	4,545,762	3,098,772
Unrestricted	21,200,605	15,918,949
Total Net Assets	\$29,154,521	\$21,875,161



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$29,154,521.

At year-end, capital assets represented 24% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2009, was \$3,408,154. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$4,545,762 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current and other assets increased mainly due to an increase in taxes receivable. The increase in taxes receivable was the result of an increase in anticipated property taxes revenue to be received in fiscal year 2010 and an increase in advances available. The increase in taxes receivable resulted in an increase in unearned revenue, which explains the increase in other liabilities in 2009 as compared to 2008.

Table 2 shows the changes in net assets for fiscal years 2009 and 2008.

Table 2
Changes in Net Assets

	Governmental Activities	
	2009	2008 Reclassed
Revenues:		
Program Revenues		
Charges for Services	\$4,978,656	\$4,544,544
Operating Grants, Contributions	11,795,565	10,087,921
Capital Grants and Contributions	184,366	193,001
General Revenues:		
Property Taxes	43,437,426	45,161,184
Grants and Entitlements	35,319,550	33,156,736
Other	5,486,765	3,936,420
Total Revenues	<u>101,202,328</u>	<u>97,079,806</u>
Program Expenses:		
Instruction	49,951,460	56,945,019
Support Services:		
Pupil and Instructional Staff	10,965,888	10,406,602
School Administrative, General		
Administration, Fiscal and Business	8,662,900	8,204,525
Operations and Maintenance	7,029,199	8,570,818
Pupil Transportation	4,595,467	4,901,006
Central	1,586,120	1,665,530
Operation of Non-instructional Services	8,306,507	7,133,882
Extracurricular Activities	1,861,017	1,568,962
Interest and Fiscal Charges	964,410	993,695
Total Program Expenses	<u>93,922,968</u>	<u>100,390,039</u>
Change in Net Assets	7,279,360	(3,310,233)
Net Assets Beginning of Year	<u>21,875,161</u>	<u>25,185,394</u>
Net Assets End of Year	<u><u>\$29,154,521</u></u>	<u><u>\$21,875,161</u></u>

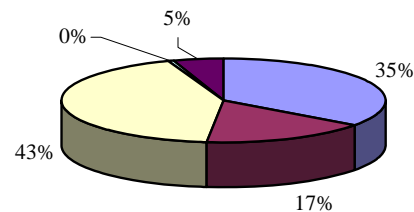
Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general, debt service, and capital projects purposes and grants and entitlements comprised 78% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and 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 43% of revenue for governmental activities for the District in fiscal year 2009. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2009	Percent of Total
General Grants	\$35,319,550	34.9%
Program Revenues	16,958,587	16.8%
General Tax Revenues	43,437,426	42.9%
Investment Earnings	433,779	0.4%
Other Revenues	5,052,986	5.0%
	<u>\$101,202,328</u>	<u>100.0%</u>



Instruction comprises 53% of governmental program expenses. Support services expenses were 35% of governmental program expenses. Interest and all other expenses were 12%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

General revenues increased mainly due to an increase in grants and entitlements, which was primarily due to an increase in grant monies received in 2009 as compared to 2008. Total expenses decreased mainly due to a decrease in instructional costs which was the result of the District forming a partnership with Butler Tech to enhance the opportunities for students in career technology programs.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2009	2008 Reclassed	2009	2008 Reclassed
Instruction	\$49,951,460	\$56,945,019	(\$44,215,996)	(\$50,871,953)
Support Services:				
Pupil and Instructional Staff	10,965,888	10,406,602	(9,165,730)	(9,760,661)
School Administrative, General				
Administration, Fiscal and Business	8,662,900	8,204,525	(7,891,651)	(7,793,810)
Operations and Maintenance	7,029,199	8,570,818	(6,401,924)	(8,520,510)
Pupil Transportation	4,595,467	4,901,006	(4,077,219)	(4,461,872)
Central	1,586,120	1,665,530	(1,573,933)	(1,665,530)
Operation of Non-Instructional Services	8,306,507	7,133,882	(1,617,156)	(828,942)
Extracurricular Activities	1,861,017	1,568,962	(1,056,362)	(667,600)
Interest and Fiscal Charges	964,410	993,695	(964,410)	(993,695)
Total Expenses	<u>\$93,922,968</u>	<u>\$100,390,039</u>	<u>(\$76,964,381)</u>	<u>(\$85,564,573)</u>

The District's Funds

The District has one major governmental fund: the General Fund. Assets of the General Fund comprised \$64,416,791 (87%) of the total \$73,900,557 governmental funds assets.

General Fund: Fund balance at June 30, 2009 was \$21,810,975 including \$7,466,773 of unreserved balance. The primary reason for the increase in fund balance was due to a decrease in instructional expenditures which was the result of the District forming a partnership with Butler Tech to enhance the opportunities for students in career technology programs.

General Fund Budgeting Highlights

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

During the course of fiscal year 2009, the District amended its general fund budget one time, however, it was not significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$84,156,761, compared to original budget estimates of \$84,388,735. Of the \$231,974 difference, most was due to an overestimate for taxes and intergovernmental revenue.

The District's ending unobligated cash balance was \$15,382,007.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009, the District had \$23,269,784 invested in land, buildings and improvements and equipment. Table 4 shows fiscal year 2009 balances compared to fiscal year 2008:

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

	Governmental Activities	
	2009	2008 Reclassified
Land	\$3,668,199	\$3,668,199
Buildings and Improvements	18,086,045	17,552,380
Equipment	1,515,540	2,380,021
Total Net Capital Assets	<u>\$23,269,784</u>	<u>\$23,600,600</u>

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

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

Debt

At June 30, 2009, the District had \$20,479,564 in bonds and leases outstanding, \$1,205,194 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2009	2008
Refunded Bonds:		
Current Interest Bonds	\$14,335,000	\$14,530,000
Capital Appreciation Bonds	720,000	720,000
Accretion of Interest	186,255	129,496
Premium on Refunded Bonds	456,630	493,160
1998 School Improvements	4,350,000	5,000,000
Capital Leases	431,679	716,212
Total Bonds and Capital Leases	<u>\$20,479,564</u>	<u>\$21,588,868</u>

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

For the Future

In June of 2005, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone, and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2006 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, school districts are being reimbursed fully for the lost revenue; in the following seven years, the reimbursements are phased out.

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the OEBM model is being phased in with FY 10 and FY 11 funding being allocated based on 99% of FY 09 funding and 98% of FY 10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY 11. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

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.

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 the Treasurer at Northwest Local School District, 3240 Banning Road, Cincinnati, Ohio 45239.

Northwest Local School District
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$18,539,902
Receivables:	
Taxes	51,174,267
Accounts	160,490
Intergovernmental	3,814,973
Deferred Bond Issuance Costs	170,750
Inventory	41,993
Nondepreciable Capital Assets	3,668,199
Depreciable Capital Assets, Net	<u>19,601,585</u>
 Total Assets	 <u>97,172,159</u>
Liabilities:	
Accounts Payable	1,325,574
Accrued Wages and Benefits	10,315,633
Accrued Interest Payable	72,598
Unearned Revenue	31,448,349
Long-Term Liabilities:	
Due Within One Year	2,219,799
Due In More Than One Year	<u>22,635,685</u>
 Total Liabilities	 <u>68,017,638</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	3,408,154
Restricted for:	
Debt Service	1,669,978
Capital Projects	1,879,234
Other Purposes	996,550
Unrestricted	<u>21,200,605</u>
 Total Net Assets	 <u>\$29,154,521</u>

See accompanying notes to the basic financial statements

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Northwest Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	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
Governmental Activities:					
Instruction:					
Regular	\$38,783,808	\$823,158	\$522,193	\$39,000	(\$37,399,457)
Special	9,866,696	286,034	3,429,865	0	(6,150,797)
Vocational	209,349	0	43,323	0	(166,026)
Student Intervention	1,091,607	483,742	108,149	0	(499,716)
Support Services:					
Pupil	5,191,242	16,349	709,607	0	(4,465,286)
Instructional Staff	5,774,646	0	1,074,202	0	(4,700,444)
General Administration	93,830	0	0	0	(93,830)
School Administration	6,041,145	0	770,844	0	(5,270,301)
Fiscal	1,807,516	0	405	0	(1,807,111)
Business	720,409	0	0	0	(720,409)
Operations and Maintenance	7,029,199	617,093	10,182	0	(6,401,924)
Pupil Transportation	4,595,467	0	372,882	145,366	(4,077,219)
Central	1,586,120	0	12,187	0	(1,573,933)
Operation of Non-instructional Services	8,306,507	1,947,625	4,741,726	0	(1,617,156)
Extracurricular Activities	1,861,017	804,655	0	0	(1,056,362)
Interest and Fiscal Charges	964,410	0	0	0	(964,410)
Total Governmental Activities	\$93,922,968	\$4,978,656	\$11,795,565	\$184,366	(76,964,381)

General Revenues:

Property Taxes Levied for:	
General Purposes	39,010,796
Debt Service Purposes	1,666,398
Capital Projects Purposes	2,760,232
Grants and Entitlements not Restricted to Specific Programs	35,319,550
Payment in Lieu of Taxes	4,170,555
Unrestricted Contributions	209,561
Investment Earnings	433,779
Other Revenues	672,870
Total General Revenues	84,243,741
Change in Net Assets	7,279,360
Net Assets Beginning of Year	21,875,161
Net Assets End of Year	\$29,154,521

See accompanying notes to the basic financial statements.

Northwest Local School District
Balance Sheet
Governmental Funds
June 30, 2009

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$15,628,185	\$2,911,717	\$18,539,902
Receivables:			
Taxes	45,972,813	5,201,454	51,174,267
Accounts	119,397	41,093	160,490
Intergovernmental	2,527,464	1,287,509	3,814,973
Interfund	168,932	0	168,932
Inventory	0	41,993	41,993
Total Assets	64,416,791	9,483,766	73,900,557
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	913,628	411,946	1,325,574
Accrued Wages and Benefits	9,506,392	809,241	10,315,633
Compensated Absences	563,964	9,740	573,704
Interfund Payable	0	168,932	168,932
Deferred Revenue	31,621,832	3,926,814	35,548,646
Total Liabilities	42,605,816	5,326,673	47,932,489
Fund Balances:			
Reserved for Encumbrances	175,202	779,480	954,682
Reserved for Inventory	0	41,993	41,993
Reserved for Property Tax Advances	14,169,000	1,717,000	15,886,000
Unreserved, Undesignated, Reported in:			
General Fund	7,466,773	0	7,466,773
Special Revenue Funds	0	375,257	375,257
Debt Service Fund	0	1,035,064	1,035,064
Capital Projects Funds	0	208,299	208,299
Total Fund Balances	21,810,975	4,157,093	25,968,068
Total Liabilities and Fund Balances	\$64,416,791	\$9,483,766	\$73,900,557

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, 2009

Total Governmental Fund Balance		\$25,968,068
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,269,784
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Payments in Lieu of Taxes	1,195,728	
Delinquent Property Taxes	2,462,209	
Intergovernmental	442,360	
		<u>4,100,297</u>
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.		(72,598)
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.		
Compensated Absences		(3,802,216)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		170,750
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(20,479,564)</u>
Net Assets of Governmental Activities		<u><u>\$29,154,521</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, 2009

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$38,976,570	\$4,245,010	\$43,221,580
Revenue in lieu of taxes	2,974,827	0	2,974,827
Tuition and Fees	908,960	0	908,960
Investment Earnings	425,923	7,856	433,779
Intergovernmental	36,994,078	11,137,321	48,131,399
Extracurricular Activities	0	670,974	670,974
Charges for Services	1,451,098	1,947,625	3,398,723
Other Revenues	740,046	74,442	814,488
Total Revenues	82,471,502	18,083,228	100,554,730
Expenditures:			
Current:			
Instruction:			
Regular	37,015,292	958,732	37,974,024
Special	8,057,539	1,848,749	9,906,288
Vocational	26,972	12,201	39,173
Student Intervention	1,178,642	0	1,178,642
Support Services:			
Pupil	4,642,420	480,923	5,123,343
Instructional Staff	5,009,886	870,851	5,880,737
General Administration	93,830	0	93,830
School Administration	5,460,166	482,195	5,942,361
Fiscal	1,734,288	50,725	1,785,013
Business	707,873	0	707,873
Operations and Maintenance	7,039,598	1,447,471	8,487,069
Pupil Transportation	4,254,412	184,073	4,438,485
Central	1,469,952	33,822	1,503,774
Operation of Non-instructional Services	1,074,289	7,068,407	8,142,696
Extracurricular Activities	1,209,951	626,311	1,836,262
Capital Outlay	0	147,548	147,548
Debt Service:			
Principal Retirement	284,533	845,000	1,129,533
Interest and Fiscal Charges	11,834	922,668	934,502
Total Expenditures	79,271,477	15,979,676	95,251,153
Excess of Revenues Over Expenditures	3,200,025	2,103,552	5,303,577
Other Financing Sources:			
Proceeds from Sale of Capital Assets	59,561	8,380	67,941
Total Other Financing Sources	59,561	8,380	67,941
Net Change in Fund Balance	3,259,586	2,111,932	5,371,518
Fund Balance Beginning of Year	18,551,389	2,045,161	20,596,550
Fund Balance End of Year	\$21,810,975	\$4,157,093	\$25,968,068

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, 2009

Net Change in Fund Balance - Total Governmental Funds \$5,371,518

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	1,985,751	
Depreciation Expense	<u>(2,316,567)</u>	(330,816)

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	1,195,728	
Delinquent Property Taxes	215,845	
Intergovernmental	<u>(831,916)</u>	579,657

Repayment of bond and capital lease principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 1,129,533

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 3,456

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.

Compensated Absences	559,376	
Amortization of Bond Issuance Cost	(13,135)	
Amortization of Bond Premium	36,530	
Bond Accretion	<u>(56,759)</u>	526,012

Change in Net Assets of Governmental Activities \$7,279,360

See accompanying notes to the basic financial statements.

Northwest Local School District
Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2009

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$118,429
Receivables:	
Accounts	<u>278</u>
Total Assets	<u><u>118,707</u></u>
Liabilities:	
Accounts Payable	178
Other Liabilities	<u>118,529</u>
Total Liabilities	<u><u>\$118,707</u></u>

See accompanying notes to the basic financial statements.

**Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2009**

NOTE 1 - DESCRIPTION OF THE DISTRICT

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

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

The District services an area of 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, Ross Township, on its northern boundary line.

The District currently has approximately 9,616 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 1,158 full time employees and 68 part time employees to provide services to the students. The District is the second largest local and the 15th largest of all school districts in Ohio.

REPORTING ENTITY

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

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

This District is associated with two organizations which are defined as jointly governed organizations. These organizations are the Southwest Ohio Computer Association and the Butler Technology and Career Development Schools. These organizations are presented in Note 17.

The following activities are included within the reporting entity:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

MEASUREMENT FOCUS

Government-wide Financial Statements

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

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in 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 operation or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

FUND ACCOUNTING

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary fund is an Agency Fund. The District's Agency Fund accounts for assets and liabilities generated by student managed activities.

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. 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 4.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Unearned Revenue

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

Payment in Lieu of Taxes

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 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.

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

EQUITY IN POOLED CASH AND INVESTMENTS

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “Equity in Pooled Cash and Investments” on the financial statements. The District utilizes a financial institution to service bonded debt as principal and interest payments come due.

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during the current fiscal year amounted to \$425,923 credited to the general fund and \$7,856 credited to other governmental funds.

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 expensed when used.

CAPITAL ASSETS

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

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

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

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

COMPENSATED ABSENCES

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

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

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

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	60 to 80 days	40 to 80 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	250 days	262 days	250 to 272 days according to job classification
Vested	As earned	As earned	As earned
Termination Entitlement	Per contract	Per contract	Per contract

NET ASSETS

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the \$4,545,762 in restricted net assets, none were restricted by enabling legislation.

INTERFUND ACTIVITY

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

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

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

FUND 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, inventory, and property tax advances. 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.

ESTIMATES

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

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund type’s portion of this pool is displayed on the combined balance sheet as “Equity in Pooled Cash and Investments.”

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pooled securities. As of June 30, 2009, the District's bank balance of \$222,303 was covered by FDIC.

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

Investments

As of June 30, 2009, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money Market Funds	\$1,305,246	0.00
STAROhio	35,021	0.16
Repurchase Agreement	8,206,980	0.00
Federal Home Loan Bank - Discount Note	259,428	0.61
Freddie Mac	6,967,682	2.72
Freddie Mac - Discount Note	647,530	0.85
Fannie Mae	1,014,140	1.32
	<u>\$18,436,027</u>	
Portfolio Weighted Average Maturity		1.14

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District’s investments in Money Market Funds, Federal Home Loan Bank – Discount Note, Freddie Mac, Freddie Mac – Discount Note and Fannie Mae were rated AAA by Standard & Poor’s and Fitch Ratings, and Aaa by Moody’s Investor’s Service. Investments in STAROhio were rated AAAM by Standard & Poor’s. Repurchase agreements which are unrated, shall be transacted only through banks located within the State of Ohio with which the Treasurer has signed a master repurchase agreement as required in Ohio Revised Code 135.

Concentration of Credit Risk – The District’s investment policy allows investments in U.S. Agencies or Instrumentalities. The District has invested 44% of the District’s investments in Repurchase Agreement, 7% in Money Market Fund, 1% in STAROhio, 1% in Federal Home Loan Bank – Discount Note, 38% in Freddie Mac, 3% in Freddie Mac – Discount Note, and 6% in Fannie Mae.

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

NOTE 4 - PROPERTY TAXES

Real property taxes collected in 2009 were levied in April on the assessed values as of January 1, 2008, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent re-evaluation was completed in January, 2008.

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 2009, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending with no tax due in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reportable on the 2006 and subsequent year returns is not subject to the personal property tax.

Real property taxes are payable annually or semi-annually. In 2009, 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 represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at fiscal year end. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2009, was \$14,169,000 for General Fund and \$1,717,000 for Other Government Funds, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2009 operations.

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

The assessed values upon which the fiscal year 2009 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,632,851,870
Public Utility Personal	32,546,400
Tangible Personal Property	<u>15,152,784</u>
Total	<u><u>\$1,680,551,054</u></u>

NOTE 5 – RECEIVABLES

Receivables at June 30, 2009, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Reclassified Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$3,668,199	\$0	\$0	\$3,668,199
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	48,586,875	1,778,334	0	50,365,209
Equipment	13,076,082	207,417	878,605	12,404,894
Totals at Historical Cost	<u>65,331,156</u>	<u>1,985,751</u>	<u>878,605</u>	<u>66,438,302</u>
Less Accumulated Depreciation:				
Buildings and Improvements	31,034,495	1,244,669	0	32,279,164
Equipment	10,696,061	1,071,898	878,605	10,889,354
Total Accumulated Depreciation	<u>41,730,556</u>	<u>2,316,567</u>	<u>878,605</u>	<u>43,168,518</u>
Governmental Activities Capital Assets, Net	<u>\$23,600,600</u>	<u>(\$330,816)</u>	<u>\$0</u>	<u>\$23,269,784</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,376,763
Special	98,933
Vocational	138,443
Support Services:	
Instructional Staff	365
School Administration	51,384
Fiscal	7,257
Business	1,039
Operations and Maintenance	73,689
Pupil Transportation	362,012
Central	49,451
Operation of Non-Instructional Services	151,132
Extracurricular Activities	6,099
Total Depreciation Expense	<u>\$2,316,567</u>

NOTE 7 - LONG-TERM LIABILITIES

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

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
Governmental Activities:						
Bonds Payable:						
1998 School Improvement	12/1/2013	\$5,000,000	\$0	\$650,000	\$4,350,000	\$720,000
Refunded Bonds:						
Current Interest Bonds	12/1/2022	14,530,000	0	195,000	14,335,000	200,000
Refunded Bonds:						
Capital Appreciation Bonds	12/1/2015	720,000	0	0	720,000	0
Accretion of Interest		129,496	56,759	0	186,255	0
Premium on Bonds:						
2005 School Improvement	12/1/2022	493,160	0	36,530	456,630	0
Capital Leases		716,212	0	284,533	431,679	285,194
Total Bonds and Capital Leases		21,588,868	56,759	1,166,063	20,479,564	1,205,194
Compensated Absences		4,680,823	408,117	713,020	4,375,920	1,014,605
Total Governmental Activities						
Long-Term Liabilities		<u>\$26,269,691</u>	<u>\$464,876</u>	<u>\$1,879,083</u>	<u>\$24,855,484</u>	<u>\$2,219,799</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.

On November 1, 2005, the District advance refunded \$15,380,000 in School Improvement Bonds that were originally for the purpose of new construction, improvements, renovating, and additions to school facilities. In retiring the bonds, \$590,000 in principal payments were made on the refunding bonds before sending the refunding agent the \$15,380,000 to retire the original debt. The \$584,485 premium on the issuance of the refunding bonds is included on this new debt and will be amortized over the life of the new debt which has a remaining life of 16 years with a final maturity date of December 1, 2022. The new debt will be retired from the Debt Service fund.

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.

The refunding bonds are not subject to optional redemption prior to maturity. Of the \$15,380,000 issued, \$14,660,000 represents serial bonds and \$720,000 is capital appreciation bonds.

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

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

Fiscal Year Ending June 30	1998 School Improvement & Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$920,000	\$877,778	\$1,797,778	\$0	\$0	\$0
2011	990,000	829,008	1,819,008	0	0	\$0
2012	1,070,000	775,791	1,845,791	0	0	\$0
2013	1,155,000	717,715	1,872,715	0	0	\$0
2014	1,245,000	652,328	1,897,328	0	0	\$0
2015-2019	5,785,000	2,541,138	8,326,138	720,000	660,000	\$1,380,000
2020-2023	7,520,000	709,522	8,229,522	0	0	\$0
Total	<u>\$18,685,000</u>	<u>\$7,103,280</u>	<u>\$25,788,280</u>	<u>\$720,000</u>	<u>\$660,000</u>	<u>\$1,380,000</u>

NOTE 8 – LEASES

CAPITAL LEASES

The District entered into two capital leases for computers during fiscal year 2008.

The leases meet the criteria of capital leases as defined by statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee. Capital lease payments will be made from the General fund.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of fiscal year end.

Fiscal Year Ending June 30	Long-Term Debt
2010	\$289,323
2011	146,485
Total Minimum Lease Payment	435,808
Less: Amount Representing Interest	(4,129)
Present Value of Minimum Lease Payments	<u>\$431,679</u>

The District did not acquire any capital assets since each individual computer is below the capitalization threshold that the District maintains.

NOTE 9 - PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2009, \$15,380,000 of bonds outstanding are considered defeased.

NOTE 10 - PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Plan Description

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

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2009, the allocation to pension and death benefits is 9.09%. The remaining 4.91% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2009, 2008, and 2007 were \$1,685,340, \$1,678,632 and \$1,694,772 respectively; 49% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Plan Description

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

Plan Options

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

DB Plan Benefits

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

DC Plan Benefits

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

Combined Plan Benefits

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

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

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

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

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

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

Funding Policy

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2009, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2009, 2008, and 2007 were \$5,679,492, \$5,801,556 and \$5,810,000, respectively; 84% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007.

NOTE 11 - POST EMPLOYMENT BENEFITS

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Plan Description

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

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2009, the actuarially required allocation was .75%. District contributions for the year ended June 30, 2009, 2008 and 2007 were \$90,286, \$81,534 and \$90,791, respectively, which equaled the required contributions each year.

Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2009, the health care allocation was 4.16%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2009, 2008, and 2007 were \$500,787, \$398,076, and \$414,008, respectively.

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

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

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Plan Description

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

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

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

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

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2009, 2008 and 2007. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2009, 2008, and 2007 were \$405,678, \$414,397, and \$415,000, respectively.

NOTE 12 - CONTINGENT LIABILITIES

GRANTS

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

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

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 13 - 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 2009, the District contracted with Cincinnati Insurance Company for property and general liability insurance and boiler and machinery insurance.

Professional liability is protected by Ohio School Plan with \$2,000,000 each occurrence, \$2,000,000 aggregate limit.

Vehicles are covered by Ohio School Plan with no deductible for comprehensive and \$1,000 deductible for collision.

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

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. 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 Reliance Life.

The District has elected to provide employee medical/surgical benefits through Medical Mutual of Ohio, 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 most 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.

NOTE 14 - FUND BALANCE RESERVES FOR SET-ASIDES

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2008	(\$2,738,702)	\$0
Current Year Set Aside Requirements	1,582,385	1,582,385
Qualified Disbursements	(1,788,927)	(767,829)
Current Year Offsets	0	(814,556)
Total	<u>(\$2,945,244)</u>	<u>\$0</u>
Set Aside Carried Forward to FY 2010	<u>(\$2,945,244)</u>	

Qualified disbursements and offset credits for capital activity during the year exceeded the amount required for the set-aside. Qualifying disbursements and carryover from prior years for textbooks totaled \$4,527,629, resulting in \$2,945,244 for carryover to offset textbook requirements in future years.

NOTE 15 - INTERFUND BALANCES/TRANSFERS

Interfund transactions at June 30, 2009, consisted of the following interfund receivables and interfund payables:

	Interfund	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$168,932	\$0
Other Governmental Funds	<u>0</u>	<u>168,932</u>
Total All Funds	<u>\$168,932</u>	<u>\$168,932</u>

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

NOTE 16 – ACCOUNTABILITY

The following funds had a deficit in fund balance:

Other Governmental Funds:	
Food Service	\$40,095
Public Preschool	8,698
Ohio Reads	2,259
Title III LEP	4,182
Early Childhood Special Education	16,874
Title II-A	6,617

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

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

The District is a participant in the Southwest Ohio Computer Association (SWOCA), a computer consortium. SWOCA is a jointly governed organization among a three county consortium of Ohio school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 34 school districts. The financial statements for SWOCA are available at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

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

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REQUIRED SUPPLEMENTARY INFORMATION



Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$42,344,225	\$42,227,826	\$40,990,496	(\$1,237,330)
Revenue in lieu of taxes	2,885,081	2,877,150	2,792,846	(84,304)
Tuition and Fees	904,779	902,292	875,854	(26,438)
Investment Earnings	439,989	438,780	425,923	(12,857)
Intergovernmental	35,611,159	35,513,268	34,472,684	(1,040,584)
Charges for Services	1,484,412	1,480,332	1,436,956	(43,376)
Other Revenues	719,090	717,113	696,101	(21,012)
Total Revenues	84,388,735	84,156,761	81,690,860	(2,465,901)
Expenditures:				
Current:				
Instruction:				
Regular	38,621,961	38,768,567	37,527,413	1,241,154
Special	8,244,528	8,275,824	8,010,878	264,946
Vocational	321,295	322,514	312,189	10,325
Student Intervention	1,173,605	1,178,060	1,140,345	37,715
Support Services:				
Pupil	4,087,065	4,102,579	3,971,237	131,342
Instructional Staff	5,170,721	5,190,349	5,024,183	166,166
General Administration	100,220	100,601	97,380	3,221
School Administration	5,476,140	5,496,927	5,320,946	175,981
Fiscal	1,778,615	1,785,366	1,728,209	57,157
Business	731,751	734,529	711,013	23,516
Operations and Maintenance	7,269,151	7,296,744	7,063,143	233,601
Pupil Transportation	4,467,278	4,484,235	4,340,675	143,560
Central	1,584,723	1,590,739	1,539,812	50,927
Operation of Non-Instructional Services	1,084,142	1,088,257	1,053,417	34,840
Extracurricular Activities	1,224,817	1,240,287	1,190,106	50,181
Debt Service:				
Principal Retirement	292,832	296,530	284,533	11,997
Interest and Fiscal Charges	12,179	12,333	11,834	499
Total Expenditures	81,641,023	81,964,441	79,327,313	2,637,128
Excess of Revenues Over (Under) Expenditures	2,747,712	2,192,320	2,363,547	171,227
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	61,528	61,359	59,561	(1,798)
Advances In	535,300	533,829	518,187	(15,642)
Advances (Out)	(180,505)	(181,190)	(175,389)	5,801
Total Other Financing Sources (Uses)	416,323	413,998	402,359	(11,639)
Net Change in Fund Balance	3,164,035	2,606,318	2,765,906	159,588
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,616,101	12,616,101	12,616,101	0
Fund Balance End of Year	\$15,780,136	\$15,222,419	\$15,382,007	\$159,588

See accompanying notes to the required supplementary information.

Northwest Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2009

NOTE 1 - BUDGETARY PROCESS

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2009.

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$3,259,586
Revenue Accruals	(780,642)
Expenditure Accruals	190,339
Advances In	518,187
Advances (Out)	(175,389)
Encumbrances	<u>(246,175)</u>
Budget Basis	<u><u>\$2,765,906</u></u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS

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

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

CAREER CONSULTANT GRANT: To account for all revenues and expenses related to career consultant grant monies. This grant is from Butler Tech which pays for a Northwest Local employee to coordinate between the two districts. This employee coordinates the technology, professional development, transportation and other necessary expenses for the career programs.

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

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

AUXILIARY SERVICES: 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.

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

PUBLIC PRESCHOOL: To account for assistance from the State in paying the cost of a pre-school program for three and four year old students.

OHIO SCHOOLNET PROFESSIONAL DEVELOPMENT: To account for state funds received to provide assistance to the District for the development of technology in-service programs.

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

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

POVERTY AID: To account for state funds used to provide various programs targeted for identified students.

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

VOCATIONAL EDUCATION PERKINS: To account for federal funds for the development of 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: To account for federal funds to provide language instruction for limited English proficient and migrant students.

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

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

DRUG FREE SCHOOLS: To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EARLY CHILDHOOD SPECIAL EDUCATION: To account for federal funds received to provide programs to handicapped preschool children.

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

TECHNOLOGY II-D: To account for federal funds to enhance education through technology.

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

CAPITAL PROJECTS FUNDS: The Capital Projects Funds is 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.

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

OHIO SCHOOLNET: 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, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,535,543	\$922,036	\$454,138	\$2,911,717
Receivables:				
Taxes	0	1,638,042	3,563,412	5,201,454
Accounts	41,093	0	0	41,093
Intergovernmental	972,648	113,028	201,833	1,287,509
Inventory	41,993	0	0	41,993
Total Assets	\$2,591,277	\$2,673,106	\$4,219,383	\$9,483,766
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	370,797	0	41,149	411,946
Accrued Wages and Benefits	809,241	0	0	809,241
Compensated Absences	9,740	0	0	9,740
Interfund Payable	168,932	0	0	168,932
Deferred Revenue	442,360	1,022,042	2,462,412	3,926,814
Total Liabilities	1,801,070	1,022,042	2,503,561	5,326,673
Fund Balances:				
Reserved for Encumbrances	372,957	0	406,523	779,480
Reserved for Inventory	41,993	0	0	41,993
Reserved for Property Tax Advances	0	616,000	1,101,000	1,717,000
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	375,257	0	0	375,257
Debt Service Fund	0	1,035,064	0	1,035,064
Capital Projects Funds	0	0	208,299	208,299
Total Fund Balances	790,207	1,651,064	1,715,822	4,157,093
Total Liabilities and Fund Balances	\$2,591,277	\$2,673,106	\$4,219,383	\$9,483,766

Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Food Service	Career Consultant Grant	Underground Storage Tank	Athletic	Auxiliary Services
Assets:					
Equity in Pooled Cash and Investments	\$261,210	\$36,077	\$10,200	\$282,617	\$553,359
Receivables:					
Accounts	41,093	0	0	0	0
Intergovernmental	0	0	0	0	0
Inventory	41,993	0	0	0	0
Total Assets	\$344,296	\$36,077	\$10,200	\$282,617	\$553,359
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	32,979	880	0	2,235	296,553
Accrued Wages and Benefits	341,672	0	0	0	8,388
Compensated Absences	9,740	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	384,391	880	0	2,235	304,941
Fund Balances:					
Reserved for Encumbrances	320	4,269	0	13,291	252,611
Reserved for Inventory	41,993	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(82,408)	30,928	10,200	267,091	(4,193)
Total Fund Balances	(40,095)	35,197	10,200	280,382	248,418
Total Liabilities and Fund Balances	\$344,296	\$36,077	\$10,200	\$282,617	\$553,359

Education Management Information System	Public Preschool	Ohio SchoolNet Professional Development	Ohio Reads	Entry Year Teacher Grant	Poverty Aid	IDEA B Special Education
\$70,865	\$0	\$15	\$9,326	\$21,487	\$113,938	\$52,731
0	0	0	0	0	0	0
0	25,665	0	0	2,500	0	251,920
0	0	0	0	0	0	0
<u>\$70,865</u>	<u>\$25,665</u>	<u>\$15</u>	<u>\$9,326</u>	<u>23,987</u>	<u>113,938</u>	<u>\$304,651</u>
0	0	0	0	2,369	0	746
0	26,574	0	11,585	3,277	0	216,116
0	0	0	0	0	0	0
0	7,789	0	0	0	0	0
0	0	0	0	0	0	65,244
0	34,363	0	11,585	5,646	0	282,106
0	0	0	0	796	3,096	1,826
0	0	0	0	0	0	0
<u>70,865</u>	<u>(8,698)</u>	<u>15</u>	<u>(2,259)</u>	<u>17,545</u>	<u>110,842</u>	<u>20,719</u>
<u>70,865</u>	<u>(8,698)</u>	<u>15</u>	<u>(2,259)</u>	<u>18,341</u>	<u>113,938</u>	<u>22,545</u>
<u>\$70,865</u>	<u>\$25,665</u>	<u>\$15</u>	<u>\$9,326</u>	<u>\$23,987</u>	<u>\$113,938</u>	<u>\$304,651</u>

Continued

Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Vocational Education Perkins	Title III LEP	Title I	Title V Innovative Projects	Drug Free Schools
Assets:					
Equity in Pooled Cash and Investments	\$0	\$0	\$91,088	\$231	\$10,573
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	1,489	523,919	37	16,433
Inventory	0	0	0	0	0
Total Assets	\$0	\$1,489	\$615,007	\$268	\$27,006
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	1,740	88	10,572
Accrued Wages and Benefits	0	5,431	153,494	0	0
Compensated Absences	0	0	0	0	0
Interfund Payable	0	240	136,041	23	4,859
Deferred Revenue	0	0	256,508	0	11,574
Total Liabilities	0	5,671	547,783	111	27,005
Fund Balances:					
Reserved for Encumbrances	0	0	89,351	144	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	0	(4,182)	(22,127)	13	1
Total Fund Balances	0	(4,182)	67,224	157	1
Total Liabilities and Fund Balances:	\$0	\$1,489	\$615,007	\$268	\$27,006

Early Childhood Special Education	Title II-A	Technology II-D	Total Nonmajor Special Revenue Funds
\$5,413	\$14,191	\$2,222	\$1,535,543
0	0	0	41,093
28,576	26,671	95,438	972,648
0	0	0	41,993
<u>33,989</u>	<u>\$40,862</u>	<u>\$97,660</u>	<u>\$2,591,277</u>
17,287	4,775	573	370,797
0	42,704	0	809,241
0	0	0	9,740
19,980	0	0	168,932
13,596	0	95,438	442,360
<u>50,863</u>	<u>47,479</u>	<u>96,011</u>	<u>1,801,070</u>
5,000	2,253	0	372,957
0	0	0	41,993
<u>(21,874)</u>	<u>(8,870)</u>	<u>1,649</u>	<u>375,257</u>
<u>(16,874)</u>	<u>(6,617)</u>	<u>1,649</u>	<u>790,207</u>
<u>\$33,989</u>	<u>\$40,862</u>	<u>\$97,660</u>	<u>\$2,591,277</u>

Northwest Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$454,138	\$0	\$454,138
Receivables:			
Taxes	3,563,412	0	3,563,412
Intergovernmental	201,833	0	201,833
Total Assets	4,219,383	0	4,219,383
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	41,149	0	41,149
Deferred Revenue	2,462,412	0	2,462,412
Total Liabilities	2,503,561	0	2,503,561
Fund Balances:			
Reserved for Encumbrances	406,523	0	406,523
Reserved for Property Tax Advances	1,101,000	0	1,101,000
Unreserved, Undesignated, Reported in:			
Capital Projects Funds	208,299	0	208,299
Total Fund Balances	1,715,822	0	1,715,822
Total Liabilities and Fund Balances	\$4,219,383	\$0	\$4,219,383

Northwest Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$1,648,191	\$2,596,819	\$4,245,010
Investment Earnings	7,856	0	0	7,856
Intergovernmental	10,684,141	212,037	241,143	11,137,321
Extracurricular Activities	670,974	0	0	670,974
Charges for Services	1,947,625	0	0	1,947,625
Other Revenues	54,473	0	19,969	74,442
Total Revenues	13,365,069	1,860,228	2,857,931	18,083,228
Expenditures:				
Current:				
Instruction:				
Regular	474,917	0	483,815	958,732
Special	1,848,749	0	0	1,848,749
Vocational	12,201	0	0	12,201
Support Services:				
Pupil	480,923	0	0	480,923
Instructional Staff	854,441	0	16,410	870,851
School Administration	482,195	0	0	482,195
Fiscal	306	28,052	22,367	50,725
Operations and Maintenance	15,710	0	1,431,761	1,447,471
Pupil Transportation	2,060	0	182,013	184,073
Central	9,200	0	24,622	33,822
Operation of Non-instructional Services	7,068,407	0	0	7,068,407
Extracurricular Activities	626,311	0	0	626,311
Capital Outlay	0	0	147,548	147,548
Debt Service:				
Principal Retirement	0	845,000	0	845,000
Interest and Fiscal Charges	0	922,668	0	922,668
Total Expenditures	11,875,420	1,795,720	2,308,536	15,979,676
Excess of Revenues Over Expenditures	1,489,649	64,508	549,395	2,103,552
Other Financing Sources:				
Proceeds from Sale of Capital Assets	8,380	0	0	8,380
Total Other Financing Sources	8,380	0	0	8,380
Net Change in Fund Balance	1,498,029	64,508	549,395	2,111,932
Fund Balance Beginning of Year	(707,822)	1,586,556	1,166,427	2,045,161
Fund Balance End of Year	\$790,207	\$1,651,064	\$1,715,822	\$4,157,093

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, 2009

	Food Service	Career Consultant Grant	Underground Storage Tank	Athletic	Auxiliary Services
Revenues:					
Investment Earnings	\$1,367	\$0	\$0	\$0	\$6,489
Intergovernmental	1,356,768	47,383	0	0	2,731,451
Extracurricular Activities	0	0	0	670,974	0
Charges for Services	1,947,625	0	0	0	0
Other Revenues	0	5,000	0	4,500	0
Total Revenues	3,305,760	52,383	0	675,474	2,737,940
Expenditures:					
Current:					
Instruction:					
Regular	0	4,985	0	0	0
Special	0	0	0	0	0
Vocational	0	12,201	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	0	0	0	0
School Administration	0	0	0	0	0
Fiscal	0	0	0	0	0
Operations and Maintenance	5,479	0	0	0	0
Pupil Transportation	0	0	800	0	0
Central	0	0	0	0	0
Operation of Non-instructional Services	3,453,944	0	0	0	3,074,276
Extracurricular Activities	0	0	0	626,311	0
Total Expenditures	3,459,423	17,186	800	626,311	3,074,276
Excess of Revenues Over Expenditures	(153,663)	35,197	(800)	49,163	(336,336)
Other Financing Sources:					
Proceeds from Sale of Capital Assets	8,380	0	0	0	0
Total Other Financing Sources	8,380	0	0	0	0
Net Change in Fund Balance	(145,283)	35,197	(800)	49,163	(336,336)
Fund Balance Beginning of Year	105,188	0	11,000	231,219	584,754
Fund Balance End of Year	(\$40,095)	\$35,197	\$10,200	\$280,382	\$248,418

Education Management Information System	Public Preschool	Ohio SchoolNet Professional Development	Ohio Reads	Entry Year Teacher Grant	Poverty Aid	IDEA B Special Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0
27,205	142,500	4,770	103,574	125,378	178,435	3,702,101
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	9,626	0
27,205	142,500	4,770	103,574	125,378	188,061	3,702,101
0	142,752	0	0	0	58,576	0
0	0	0	98,131	0	78,820	883,976
0	0	0	0	0	0	0
4,481	0	0	0	0	0	409,922
6,550	10,445	4,853	1,630	83,704	0	0
0	0	0	0	0	0	423,760
306	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,200	0	0	0	0	0	0
0	0	0	0	0	0	420,206
0	0	0	0	0	0	0
20,537	153,197	4,853	99,761	83,704	137,396	2,137,864
6,668	(10,697)	(83)	3,813	41,674	50,665	1,564,237
0	0	0	0	0	0	0
0	0	0	0	0	0	0
6,668	(10,697)	(83)	3,813	41,674	50,665	1,564,237
64,197	1,999	98	(6,072)	(23,333)	63,273	(1,541,692)
\$70,865	(\$8,698)	\$15	(\$2,259)	\$18,341	\$113,938	\$22,545

Continued

Northwest Local School District
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Vocational Education Perkins	Title III LEP	Title I	Title V Innovative Projects	Drug Free Schools
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	134	36,131	1,673,735	18,643	30,168
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	35,347	0	0	0
Total Revenues	134	71,478	1,673,735	18,643	30,168
Expenditures:					
Current:					
Instruction:					
Regular	5,090	0	0	0	18,936
Special	0	0	762,416	22,218	0
Vocational	0	0	0	0	0
Support Services:					
Pupil	275	0	0	0	6,275
Instructional Staff	0	0	662,456	0	0
School Administration	4,886	0	53,549	0	0
Fiscal	0	0	0	0	0
Operations and Maintenance	0	0	0	0	10,231
Pupil Transportation	0	0	1,260	0	0
Central	0	0	0	0	0
Operation of Non-instructional Services	0	0	103,918	4,742	5,442
Extracurricular Activities	0	0	0	0	0
Total Expenditures	10,251	0	1,583,599	26,960	40,884
Excess of Revenues Over Expenditures	(10,117)	71,478	90,136	(8,317)	(10,716)
Other Financing Sources:					
Proceeds from Sale of Capital Assets	0	0	0	0	0
Total Other Financing Sources	0	0	0	0	0
Net Change in Fund Balance	(10,117)	71,478	90,136	(8,317)	(10,716)
Fund Balance Beginning of Year	10,117	(75,660)	(22,912)	8,474	10,717
Fund Balance End of Year	\$0	(\$4,182)	\$67,224	\$157	\$1

Early Childhood Special Education	Title II-A	Technology II-D	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$7,856
42,669	444,145	18,951	10,684,141
0	0	0	670,974
0	0	0	1,947,625
0	0	0	54,473
42,669	444,145	18,951	13,365,069
0	236,203	8,375	474,917
3,188	0	0	1,848,749
0	0	0	12,201
59,970	0	0	480,923
0	78,115	6,688	854,441
0	0	0	482,195
0	0	0	306
0	0	0	15,710
0	0	0	2,060
0	0	0	9,200
319	1,438	4,122	7,068,407
0	0	0	626,311
63,477	315,756	19,185	11,875,420
(20,808)	128,389	(234)	1,489,649
0	0	0	8,380
0	0	0	8,380
(20,808)	128,389	(234)	1,498,029
3,934	(135,006)	1,883	(707,822)
(\$16,874)	(\$6,617)	\$1,649	\$790,207

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, 2009

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$2,596,819	\$0	\$2,596,819
Intergovernmental	202,143	39,000	241,143
Other Revenues	19,969	0	19,969
Total Revenues	2,818,931	39,000	2,857,931
Expenditures:			
Current:			
Instruction:			
Regular	451,115	32,700	483,815
Support Services:			
Instructional Staff	16,410	0	16,410
Fiscal	22,367	0	22,367
Operations and Maintenance	1,410,011	21,750	1,431,761
Pupil Transportation	182,013	0	182,013
Central	24,622	0	24,622
Capital Outlay	147,548	0	147,548
Total Expenditures	2,254,086	54,450	2,308,536
Net Change in Fund Balance	564,845	(15,450)	549,395
Fund Balance Beginning of Year	1,150,977	15,450	1,166,427
Fund Balance End of Year	\$1,715,822	\$0	\$1,715,822

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,235,752	\$1,116,914	(\$118,838)
Charges for Services	2,109,383	1,906,532	(202,851)
Total Revenues	<u>3,345,135</u>	<u>3,023,446</u>	<u>(321,689)</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>3,398,026</u>	<u>3,179,682</u>	<u>218,344</u>
Total Expenditures	<u>3,398,026</u>	<u>3,179,682</u>	<u>218,344</u>
Net Change in Fund Balance	(52,891)	(156,236)	(103,345)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>417,124</u>	<u>417,124</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$364,233</u></u>	<u><u>\$260,888</u></u>	<u><u>(\$103,345)</u></u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Career Consultant Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$50,947	\$47,383	(\$3,564)
Other Revenues	5,376	5,000	(376)
Total Revenues	<u>56,323</u>	<u>52,383</u>	<u>(3,940)</u>
Expenditures:			
Current:			
Instruction:			
Regular	11,925	4,985	6,940
Vocational	39,398	16,470	22,928
Total Expenditures	<u>51,323</u>	<u>21,455</u>	<u>29,868</u>
Net Change in Fund Balance	5,000	30,928	25,928
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,000</u>	<u>\$30,928</u>	<u>\$25,928</u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Underground Storage Tank Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Pupil Transportation	800	800	0
Total Expenditures	800	800	0
Net Change in Fund Balance	(800)	(800)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance End of Year	\$10,200	\$10,200	\$0

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Athletic Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$666,371	\$670,973	\$4,602
Other Revenues	4,469	4,500	31
Total Revenues	<u>670,840</u>	<u>675,473</u>	<u>4,633</u>
Expenditures:			
Current:			
Extracurricular Activities	888,700	638,759	249,941
Total Expenditures	<u>888,700</u>	<u>638,759</u>	<u>249,941</u>
Excess of Revenues Over (Under) Expenditures	<u>(217,860)</u>	<u>36,714</u>	<u>254,574</u>
Other Financing Sources (Uses):			
Transfers In	2,807	2,826	19
Transfers (Out)	<u>(3,932)</u>	<u>(2,826)</u>	<u>1,106</u>
Total Other Financing Sources (Uses)	<u>(1,125)</u>	<u>0</u>	<u>1,125</u>
Net Change in Fund Balance	(218,985)	36,714	255,699
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>231,261</u>	<u>231,261</u>	<u>0</u>
Fund Balance End of Year	<u>\$12,276</u>	<u>\$267,975</u>	<u>\$255,699</u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$6,476	\$6,490	\$14
Intergovernmental	2,725,577	2,731,449	5,872
Total Revenues	2,732,053	2,737,939	5,886
Expenditures:			
Current:			
Operation of Non-Instructional Services	3,335,053	3,325,330	9,723
Total Expenditures	3,335,053	3,325,330	9,723
Excess of Revenues Over (Under) Expenditures	(603,000)	(587,391)	15,609
Other Financing Sources (Uses):			
Advances (Out)	(30,970)	(30,880)	90
Transfers In	279,191	279,793	602
Transfers (Out)	(280,611)	(279,793)	818
Total Other Financing Sources (Uses)	(32,390)	(30,880)	1,510
Net Change in Fund Balance	(635,390)	(618,271)	17,119
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	635,390	635,390	0
Fund Balance End of Year	\$0	\$17,119	\$17,119

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Education Management Information System Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$30,000	\$27,205	(\$2,795)
Total Revenues	30,000	27,205	(2,795)
Expenditures:			
Current:			
Support Services:			
Pupil	20,553	4,481	16,072
Instructional Staff	30,042	6,550	23,492
Fiscal	1,404	306	1,098
Central	42,198	9,200	32,998
Total Expenditures	94,197	20,537	73,660
Net Change in Fund Balance	(64,197)	6,668	70,865
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	64,197	64,197	0
Fund Balance End of Year	\$0	\$70,865	\$70,865

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Public Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$133,594	\$116,835	(\$16,759)
Total Revenues	133,594	116,835	(16,759)
Expenditures:			
Current:			
Instruction:			
Regular	152,394	136,122	16,272
Support Services:			
Instructional Staff	15,021	13,417	1,604
Total Expenditures	167,415	149,539	17,876
Excess of Revenues Over (Under) Expenditures	(33,821)	(32,704)	1,117
Other Financing Sources (Uses):			
Advances In	8,906	7,789	(1,117)
Total Other Financing Sources (Uses)	8,906	7,789	(1,117)
Net Change in Fund Balance	(24,915)	(24,915)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	24,915	24,915	0
Fund Balance End of Year	\$0	\$0	\$0

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Ohio SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$4,770	\$4,770	\$0
Total Revenues	4,770	4,770	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	4,868	4,853	15
Total Expenditures	4,868	4,853	15
Net Change in Fund Balance	(98)	(83)	15
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	98	98	0
Fund Balance End of Year	\$0	\$15	\$15

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$122,012	\$122,012	\$0
Total Revenues	122,012	122,012	0
Expenditures:			
Current:			
Instruction:			
Special	90,527	86,546	3,981
Support Services:			
Instructional Staff	25,207	24,099	1,108
Total Expenditures	115,734	110,645	5,089
Excess of Revenues Over (Under) Expenditures	6,278	11,367	5,089
Other Financing Sources (Uses):			
Advances (Out)	(7,723)	(7,383)	340
Total Other Financing Sources (Uses)	(7,723)	(7,383)	340
Net Change in Fund Balance	(1,445)	3,984	5,429
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,342	5,342	0
Fund Balance End of Year	\$3,897	\$9,326	\$5,429

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Entry Year Teacher Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$102,817	\$122,878	\$20,061
Total Revenues	102,817	122,878	20,061
Expenditures:			
Current:			
Support Services:			
Instructional Staff	83,400	83,400	0
Total Expenditures	83,400	83,400	0
Excess of Revenues Over (Under) Expenditures	19,417	39,478	20,061
Other Financing Sources (Uses):			
Advances (Out)	(31,060)	(36,712)	(5,652)
Total Other Financing Sources (Uses)	(31,060)	(36,712)	(5,652)
Net Change in Fund Balance	(11,643)	2,766	14,409
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	17,561	17,561	0
Fund Balance End of Year	\$5,918	\$20,327	\$14,409

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Poverty Aid Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$179,212	\$178,435	(\$777)
Other Revenues	9,668	9,626	(42)
Total Revenues	<u>188,880</u>	<u>188,061</u>	<u>(819)</u>
Expenditures:			
Current:			
Instruction:			
Regular	105,285	59,152	46,133
Special	140,292	78,820	61,472
Support Services:			
Pupil Transportation	4,485	2,520	1,965
Total Expenditures	<u>250,062</u>	<u>140,492</u>	<u>109,570</u>
Net Change in Fund Balance	(61,182)	47,569	108,751
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>63,273</u>	<u>63,273</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,091</u>	<u>\$110,842</u>	<u>\$108,751</u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	IDEA B Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,767,345	\$3,515,424	(\$251,921)
Total Revenues	<u>3,767,345</u>	<u>3,515,424</u>	<u>(251,921)</u>
Expenditures:			
Current:			
Instruction:			
Special	970,402	866,023	104,379
Support Services:			
Pupil	469,500	419,000	50,500
School Administration	512,883	457,717	55,166
Operation of Non-Instructional Services	<u>476,035</u>	<u>424,832</u>	<u>51,203</u>
Total Expenditures	<u>2,428,820</u>	<u>2,167,572</u>	<u>261,248</u>
Excess of Revenues Over (Under) Expenditures	<u>1,338,525</u>	<u>1,347,852</u>	<u>9,327</u>
Other Financing Sources (Uses):			
Advances (Out)	<u>(380,855)</u>	<u>(339,890)</u>	<u>40,965</u>
Total Other Financing Sources (Uses)	<u>(380,855)</u>	<u>(339,890)</u>	<u>40,965</u>
Net Change in Fund Balance	957,670	1,007,962	50,292
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(957,670)</u>	<u>(957,670)</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$50,292</u>	<u>\$50,292</u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Vocational Education Perkins Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$134	\$134	\$0
Total Revenues	134	134	0
Expenditures:			
Current:			
Instruction:			
Regular	5,090	5,090	0
Support Services:			
Pupil	275	275	0
School Administration	4,886	4,886	0
Total Expenditures	10,251	10,251	0
Excess of Revenues Over (Under) Expenditures	(10,117)	(10,117)	0
Other Financing Sources (Uses):			
Advances (Out)	(6,460)	(6,460)	0
Total Other Financing Sources (Uses)	(6,460)	(6,460)	0
Net Change in Fund Balance	(16,577)	(16,577)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,577	16,577	0
Fund Balance End of Year	\$0	\$0	\$0

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Title III LEP Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$17,320	\$34,642	\$17,322
Other Revenues	20,388	40,778	20,390
Total Revenues	<u>37,708</u>	<u>75,420</u>	<u>37,712</u>
Expenditures:			
Current:			
Instruction:			
Special	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>37,708</u>	<u>75,420</u>	<u>37,712</u>
Other Financing Sources (Uses):			
Advances In	120	240	120
Advances (Out)	<u>(37,930)</u>	<u>(75,762)</u>	<u>(37,832)</u>
Total Other Financing Sources (Uses)	<u>(37,810)</u>	<u>(75,522)</u>	<u>(37,712)</u>
Net Change in Fund Balance	(102)	(102)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>102</u>	<u>102</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,764,325	\$1,406,324	(\$358,001)
Total Revenues	<u>1,764,325</u>	<u>1,406,324</u>	<u>(358,001)</u>
Expenditures:			
Current:			
Instruction:			
Special	942,381	757,989	184,392
Support Services:			
Instructional Staff	788,068	633,870	154,198
School Administration	91,862	73,888	17,974
Pupil Transportation	1,567	1,260	307
Operation of Non-Instructional Services	<u>127,982</u>	<u>102,940</u>	<u>25,042</u>
Total Expenditures	<u>1,951,860</u>	<u>1,569,947</u>	<u>381,913</u>
Excess of Revenues Over (Under) Expenditures	<u>(187,535)</u>	<u>(163,623)</u>	<u>23,912</u>
Other Financing Sources (Uses):			
Advances In	170,672	136,041	(34,631)
Transfers In	18,880	15,049	(3,831)
Transfers (Out)	<u>(18,710)</u>	<u>(15,049)</u>	<u>3,661</u>
Total Other Financing Sources (Uses)	<u>170,842</u>	<u>136,041</u>	<u>(34,801)</u>
Net Change in Fund Balance	(16,693)	(27,582)	(10,889)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>27,579</u>	<u>27,579</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$10,886</u></u>	<u><u>(\$3)</u></u>	<u><u>(\$10,889)</u></u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Title V Innovative Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$18,673	\$18,606	(\$67)
Total Revenues	18,673	18,606	(67)
Expenditures:			
Current:			
Instruction:			
Special	22,273	22,217	56
Operation of Non-Instructional Services	4,898	4,886	12
Total Expenditures	27,171	27,103	68
Excess of Revenues Over (Under) Expenditures	(8,498)	(8,497)	1
Other Financing Sources (Uses):			
Advances In	23	23	0
Advances (Out)	(771)	(769)	2
Transfers In	2,156	2,148	(8)
Transfers (Out)	(2,153)	(2,148)	5
Total Other Financing Sources (Uses)	(745)	(746)	(1)
Net Change in Fund Balance	(9,243)	(9,243)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,243	9,243	0
Fund Balance End of Year	\$0	\$0	\$0

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$32,474	\$25,309	(\$7,165)
Total Revenues	32,474	25,309	(7,165)
Expenditures:			
Current:			
Instruction:			
Regular	23,167	18,936	4,231
Support Services:			
Pupil	7,677	6,275	1,402
Operations and Maintenance	12,519	10,232	2,287
Operation of Non-Instructional Services	6,658	5,442	1,216
Total Expenditures	50,021	40,885	9,136
Excess of Revenues Over (Under) Expenditures	(17,547)	(15,576)	1,971
Other Financing Sources (Uses):			
Advances In	6,235	4,859	(1,376)
Advances (Out)	(246)	(201)	45
Transfers In	13,750	10,716	(3,034)
Transfers (Out)	(13,110)	(10,716)	2,394
Total Other Financing Sources (Uses)	6,629	4,658	(1,971)
Net Change in Fund Balance	(10,918)	(10,918)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,918	10,918	0
Fund Balance End of Year	\$0	\$0	\$0

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Early Childhood Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$31,198	\$27,689	(\$3,509)
Total Revenues	<u>31,198</u>	<u>27,689</u>	<u>(3,509)</u>
Expenditures:			
Current:			
Instruction:			
Special	3,590	3,188	402
Support Services:			
Pupil	53,702	47,683	6,019
Operation of Non-Instructional Services	359	319	40
Total Expenditures	<u>57,651</u>	<u>51,190</u>	<u>6,461</u>
Excess of Revenues Over (Under) Expenditures	<u>(26,453)</u>	<u>(23,501)</u>	<u>2,952</u>
Other Financing Sources (Uses):			
Advances In	22,512	19,980	(2,532)
Transfers In	22,724	20,168	(2,556)
Transfers (Out)	(22,714)	(20,168)	2,546
Total Other Financing Sources (Uses)	<u>22,522</u>	<u>19,980</u>	<u>(2,542)</u>
Net Change in Fund Balance	(3,931)	(3,521)	410
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>3,934</u>	<u>3,934</u>	<u>0</u>
Fund Balance End of Year	<u>\$3</u>	<u>\$413</u>	<u>\$410</u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$542,064	\$417,475	(\$124,589)
Total Revenues	542,064	417,475	(124,589)
Expenditures:			
Current:			
Instruction:			
Regular	309,495	218,413	91,082
Support Services:			
Instructional Staff	113,883	80,368	33,515
Operation of Non-Instructional Services	2,038	1,438	600
Total Expenditures	425,416	300,219	125,197
Excess of Revenues Over (Under) Expenditures	116,648	117,256	608
Other Financing Sources (Uses):			
Advances (Out)	(19,375)	(13,673)	5,702
Transfers In	1,796	1,383	(413)
Transfers (Out)	(1,960)	(1,383)	577
Total Other Financing Sources (Uses)	(19,539)	(13,673)	5,866
Net Change in Fund Balance	97,109	103,583	6,474
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	(96,420)	(96,420)	0
Fund Balance End of Year	\$689	\$7,163	\$6,474

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Technology II-D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$45,461	\$18,950	(\$26,511)
Total Revenues	45,461	18,950	(26,511)
Expenditures:			
Current:			
Instruction:			
Regular	9,277	8,374	903
Support Services:			
Instructional Staff	7,409	6,688	721
Operation of Non-Instructional Services	4,566	4,122	444
Total Expenditures	21,252	19,184	2,068
Excess of Revenues Over (Under) Expenditures	24,209	(234)	(24,443)
Other Financing Sources (Uses):			
Transfers In	7,446	3,104	(4,342)
Transfers (Out)	(3,439)	(3,104)	335
Total Other Financing Sources (Uses)	4,007	0	(4,007)
Net Change in Fund Balance	28,216	(234)	(28,450)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,883	1,883	0
Fund Balance End of Year	\$30,099	\$1,649	(\$28,450)

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,651,759	\$1,547,191	(\$104,568)
Intergovernmental	105,701	99,009	(6,692)
Total Revenues	<u>1,757,460</u>	<u>1,646,200</u>	<u>(111,260)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	28,036	28,052	(16)
Debt Service:			
Principal Retirement	844,528	845,000	(472)
Interest and Fiscal Charges	922,153	922,668	(515)
Total Expenditures	<u>1,794,717</u>	<u>1,795,720</u>	<u>(1,003)</u>
Net Change in Fund Balance	(37,257)	(149,520)	(112,263)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,071,556</u>	<u>1,071,556</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,034,299</u>	<u>\$922,036</u>	<u>(\$112,263)</u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,693,944	\$1,495,819	(\$198,125)
Intergovernmental	351	310	(41)
Other Revenues	22,614	19,969	(2,645)
Total Revenues	1,716,909	1,516,098	(200,811)
Expenditures:			
Current:			
Instruction:			
Regular	454,385	451,115	3,270
Support Services:			
Instructional Staff	16,529	16,410	119
Fiscal	22,529	22,367	162
Operations and Maintenance	2,012,806	1,998,323	14,483
Pupil Transportation	183,332	182,013	1,319
Central	7,286	7,234	52
Capital Outlay	453,021	449,761	3,260
Total Expenditures	3,149,888	3,127,223	22,665
Net Change in Fund Balance	(1,432,979)	(1,611,125)	(178,146)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,634,979	1,634,979	0
Fund Balance End of Year	\$202,000	\$23,854	(\$178,146)

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2009

	Ohio SchoolNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$39,000	\$39,000	\$0
Total Revenues	39,000	39,000	0
Expenditures:			
Current:			
Instruction:			
Regular	32,700	32,700	0
Support Services:			
Operations and Maintenance	21,750	21,750	0
Total Expenditures	54,450	54,450	0
Net Change in Fund Balance	(15,450)	(15,450)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,450	15,450	0
Fund Balance End of Year	\$0	\$0	\$0

FUND DESCRIPTIONS

NONMAJOR FIDUCIARY FUND

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

AGENCY FUND – STUDENT ACTIVITY: To account for assets and liabilities generated by student managed activities. The fund accounts for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program.

Northwest Local School District
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2009

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$152,675	\$253,560	\$287,806	\$118,429
Receivables:				
Accounts	0	278	0	278
Total Assets	<u>152,675</u>	<u>253,838</u>	<u>287,806</u>	<u>118,707</u>
Liabilities:				
Accounts Payable	0	178	0	178
Other Liabilities	152,675	253,660	287,806	118,529
Total Liabilities	<u>\$152,675</u>	<u>\$253,838</u>	<u>\$287,806</u>	<u>\$118,707</u>

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STATISTICAL SECTION



STATISTICAL SECTION

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

CONTENTS

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

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

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

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

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

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

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, Net of related debt	\$4,468,058	\$4,540,207	\$4,263,966	\$3,896,572	\$3,063,084	\$2,440,916	\$2,857,440	\$3,408,154
Restricted	3,148,603	3,208,243	4,996,925	4,984,928	4,911,775	4,812,592	3,098,772	4,545,762
Unrestricted	13,257,397	17,774,623	13,113,564	17,057,579	17,619,488	17,931,886	15,918,949	21,200,605
Total Net Assets	\$20,874,058	\$25,523,073	\$22,374,455	\$25,939,079	\$25,594,347	\$25,185,394	\$21,875,161	\$29,154,521

Source: District Records

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

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental Activities:								
Instruction	\$43,961,196	\$45,411,314	\$48,139,681	\$50,233,149	\$48,903,070	\$49,828,614	\$56,945,019	\$49,951,460
Pupil	4,087,427	4,311,310	4,300,406	4,370,329	4,740,911	4,850,602	4,636,660	5,191,242
Instructional Staff	4,703,188	5,003,623	5,885,152	5,941,773	5,770,458	5,840,176	5,769,942	5,774,646
General Administration	87,785	120,895	91,142	161,901	241,656	281,111	183,505	93,830
School Administration	5,090,831	5,146,738	5,356,327	5,640,900	5,446,475	5,855,802	5,745,910	6,041,145
Fiscal	1,311,298	1,360,512	1,530,072	1,550,991	1,483,369	1,558,363	1,603,973	1,807,516
Business	532,909	577,629	574,334	594,917	699,841	507,244	671,137	720,409
Operation and Maintenance	8,058,321	8,245,783	7,559,219	7,817,898	8,272,465	8,033,869	8,570,818	7,029,199
Pupil Transportation	3,567,960	4,088,325	4,330,044	4,391,526	4,589,238	4,819,635	4,901,006	4,595,467
Central	1,342,996	1,371,668	1,421,910	1,493,134	1,211,509	1,272,167	1,665,530	1,586,120
Operation of Non-instructional Services	2,679,136	2,924,980	5,914,723	6,857,202	6,535,203	6,686,349	7,133,882	8,306,507
Extracurricular Activities	1,405,292	1,664,320	1,662,910	1,766,543	1,821,170	1,915,193	1,568,962	1,861,017
Interest and Fiscal Charges	1,228,722	1,211,360	1,190,385	1,166,792	1,529,534	1,008,515	993,695	964,410
Total Government Expenses	78,057,061	81,438,457	87,956,305	91,987,055	91,244,899	92,457,640	100,390,039	93,922,968
Program Revenues								
Governmental Activities:								
Charges for Services								
Instruction	954,972	1,408,116	1,166,566	1,644,304	1,463,778	1,497,076	1,597,900	1,592,934
Pupil	0	0	0	0	0	11,279	11,664	16,349
Operation and Maintenance	66,836	61,440	89,511	66,853	55,309	50,200	45,217	617,093
Operation of Non-instructional Services	240,612	242,038	2,379,197	2,087,637	2,052,682	2,014,390	1,988,401	1,947,625
Extracurricular Activities	646,046	631,653	638,082	710,061	631,218	671,898	901,362	804,655
Operating Grants and Contributions	5,094,519	5,655,375	7,540,130	8,299,035	10,407,779	10,858,280	10,087,921	11,795,565
Capital Grants and Contributions	360,516	574,646	2,050,671	186,207	269,047	173,314	193,001	184,366
Total Government Revenues	7,363,501	8,573,268	13,864,157	12,994,097	14,879,813	15,276,437	14,825,466	16,958,587
Net (Expense)/Revenue	(\$70,693,560)	(\$72,865,189)	(\$74,092,148)	(\$78,992,958)	(\$76,365,086)	(\$77,181,203)	(\$85,564,573)	(\$76,964,381)
Total Government Net Expense								

Source: District Records

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

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Net (Expense)/Revenue								
Total Government Net Expense	(\$70,693,560)	(\$72,865,189)	(\$74,092,148)	(\$78,992,958)	(\$76,365,086)	(\$77,181,203)	(\$85,564,573)	(\$76,964,381)
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Taxes								
Property Taxes Levied for General Purposes	37,617,518	40,665,767	33,876,124	43,786,003	39,092,855	40,052,554	43,685,645	39,010,796
Property Taxes Levied for Debt Service Purposes	1,580,267	1,608,343	1,293,327	1,679,221	1,678,204	1,527,841	1,475,539	1,666,398
Property Taxes Levied for Capital Projects Purposes	0	0	0	0	0	0	0	2,760,232
Grants and Entitlements not Restricted to Specific Programs	31,204,342	32,216,453	33,634,399	34,233,076	31,520,219	31,552,624	33,156,736	35,319,550
Payment in Lieu of Taxes	940,478	1,436,898	1,442,401	1,944,008	2,170,537	1,353,248	2,541,812	4,170,555
Unrestricted Contributions	0	0	0	0	211,257	201,670	206,874	209,561
Investment Earnings	627,818	383,001	246,045	492,314	957,958	1,281,757	923,168	433,779
Other Revenues	200,581	323,898	367,379	422,959	389,323	802,556	264,566	672,870
Total Government Activities	72,171,004	76,634,360	70,859,675	82,557,581	76,020,353	76,772,250	82,254,340	84,243,741
Change in Net Assets								
Total Government	\$1,477,444	\$3,769,171	(\$3,232,473)	\$3,564,623	(\$344,733)	(\$408,953)	(\$3,310,233)	\$7,279,360

Source: District Records

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

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$14,260,910	\$9,670,173	\$10,888,628	\$13,298,462	\$9,941,691	\$15,297,234	\$14,850,178	\$13,241,226	\$15,315,873	\$14,344,202
Unreserved	1,790,612	6,263,942	5,697,028	7,338,820	5,946,886	3,708,325	4,431,337	5,028,757	3,235,516	7,466,773
Total General Fund	16,051,522	15,934,115	16,585,656	20,637,282	15,888,577	19,005,559	19,281,515	18,269,983	18,551,389	21,810,975
All Other Governmental Funds										
Reserved	1,810,364	1,864,100	510,528	763,003	595,769	927,231	795,705	981,536	1,949,064	2,538,473
Unreserved, Reported in:										
Special Revenue Funds	758,848	913,208	706,479	199,211	819,862	748,393	550,025	278,371	(1,076,114)	375,257
Debt Service Funds	0	0	1,207,501	1,207,995	1,139,524	1,070,092	1,113,172	1,194,512	1,071,556	1,035,064
Capital Project Funds	443,745	647,112	658,294	863,550	2,408,668	2,407,961	2,427,816	2,433,966	100,655	208,299
Total all Other Governmental Funds	\$3,012,957	\$3,424,420	\$3,082,802	\$3,033,759	\$4,963,823	\$5,153,677	\$4,886,718	\$4,888,385	\$2,045,161	\$4,157,093

Source: District Records

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes	\$36,559,109	\$36,101,477	\$39,197,785	\$42,274,109	\$35,169,451	\$45,465,224	\$40,771,058	\$39,571,250	\$44,923,966	\$43,221,580
Revenue in Lieu of Taxes	414,737	747,826	837,851	1,136,800	1,335,357	1,803,022	1,905,623	2,159,741	3,488,839	2,974,827
Tuition and Fees	821,371	652,988	1,004,932	828,575	1,307,283	1,375,608	1,827,893	1,207,360	1,107,809	908,960
Investment Earnings	1,178,279	1,318,478	627,818	355,779	273,267	492,314	957,958	1,281,757	923,168	433,779
Intergovernmental	30,497,919	34,093,579	36,222,194	37,943,077	40,999,928	42,692,681	42,042,886	42,681,291	42,285,156	48,131,399
Extracurricular Activities	0	0	535,428	511,575	463,235	555,091	455,337	500,925	641,725	670,974
Charges for Services	0	0	0	0	2,104,495	2,420,753	2,052,682	2,856,808	2,795,010	3,398,723
Other Revenues	1,214,893	1,686,162	796,640	1,703,732	2,986,745	611,587	599,580	689,921	467,523	814,488
Total Revenues	\$70,686,308	\$74,600,510	\$79,222,648	\$84,753,647	\$84,639,761	\$95,416,280	\$90,613,017	\$90,949,053	\$96,633,196	\$100,554,730

Source: District Records

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Instruction	\$40,366,506	\$43,088,835	\$44,375,999	\$44,710,155	\$47,364,387	\$49,644,561	\$48,009,414	\$49,180,578	\$55,063,771	\$49,098,127
Pupil	2,428,715	2,670,062	4,123,963	4,331,777	4,330,800	4,370,923	4,753,090	4,796,893	4,658,356	5,123,343
Instructional Staff	3,318,935	3,391,576	4,656,513	5,017,149	5,832,190	5,993,431	5,775,348	5,832,460	5,701,322	5,880,737
General Administration	68,186	72,804	87,785	120,895	91,142	161,901	241,656	281,111	183,505	93,830
School Administration	4,364,701	4,736,223	5,153,713	5,077,151	5,334,870	5,397,018	5,411,896	5,906,050	5,806,393	5,942,361
Fiscal	1,066,891	1,177,830	1,292,652	1,340,797	1,492,837	1,482,270	1,518,660	1,695,551	1,581,267	1,785,013
Business	469,860	476,836	596,498	559,547	571,206	581,747	694,082	512,931	694,398	707,873
Operation and Maintenance	6,857,802	8,036,025	7,880,719	8,208,547	7,463,816	7,711,002	8,274,328	7,956,222	9,138,204	8,487,069
Pupil Transportation	3,103,146	3,354,332	3,916,466	4,170,750	4,159,436	4,337,422	4,444,862	4,584,733	4,741,030	4,438,485
Central	993,807	1,169,269	1,337,439	1,344,141	1,439,811	1,505,082	1,253,835	1,189,253	1,682,782	1,503,774
Operation of Non-instructional Services	2,463,385	2,627,534	2,667,631	2,918,707	5,821,812	6,941,408	6,673,610	6,651,816	7,120,644	8,142,696
Extracurricular Activities	1,348,793	1,456,054	1,372,204	1,666,064	1,651,922	1,758,583	1,815,078	1,733,681	1,783,724	1,836,262
Capital Outlay	8,342,043	445,114	4,120	0	374,000	0	0	0	0	147,548
Debt Service										
Principal	405,389	375,000	410,000	450,000	495,000	540,000	590,000	675,000	928,396	1,129,533
Interest	1,257,169	1,246,213	1,230,133	1,212,152	1,192,059	1,169,645	1,149,162	994,495	969,747	934,502
Total Expenditures	\$76,855,328	\$74,323,707	\$79,105,835	\$81,127,832	\$87,615,288	\$91,594,993	\$90,605,021	\$91,990,774	\$100,053,539	\$95,251,153

Debt Service as a Percentage of Noncapital Expenditures 2.70% 2.46% 2.10% 2.06% 1.94% 1.88% 1.93% 1.82% 1.92% 2.21%

Source: District Records

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$35,691	\$17,253	\$23,666	\$27,340	\$36,530	\$58,402	\$1,001	\$31,856	\$3,917	\$67,941
Issuance Of Capital Leases	0	0	0	0	0	0	0	0	854,608	0
Payments to Refunded Bonds Escrow Agent	0	0	0	0	0	0	(15,964,485)	0	0	0
Proceeds of Refunding Bonds	0	0	0	0	0	0	15,380,000	0	0	0
Refunding Bond Premium	0	0	0	0	0	0	584,485	0	0	0
Transfers in	0	0	0	0	0	0	0	0	2,628	0
Transfers out	0	0	0	0	0	0	0	0	(2,628)	0
Total Other Financing Sources (Uses)	35,691	17,253	23,666	27,340	36,530	58,402	1,001	31,856	858,525	67,941
Net Change in Fund Balances	(\$6,133,329)	\$294,056	\$140,479	\$3,653,155	(\$2,938,997)	\$3,879,689	\$8,997	(\$1,009,865)	(\$2,561,818)	\$5,371,518

Source: District Records

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

Calendar Year	Real Property	Tangible Personal Property	Public Utilities Personal	Less: Exemptions	Total Taxable Value	Total Assessed Value (1)	Total Direct Rate
	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)		Value	Value (1)	Rate
1999	\$1,208,116,000	\$90,245,710	\$59,406,000	\$86,609,820	\$1,271,157,890	\$1,357,767,710	50.13
2000	1,208,252,230	97,329,980	54,842,530	110,713,390	1,249,711,350	1,360,424,740	49.80
2001	1,237,011,150	92,866,910	37,730,740	107,289,320	1,260,319,480	1,367,608,800	49.80
2002	1,349,652,730	80,470,050	39,296,490	122,907,540	1,346,511,730	1,469,419,270	49.64
2003	1,362,790,120	82,003,290	39,727,050	134,826,180	1,349,694,280	1,484,520,460	49.64
2004	1,373,527,170	78,381,540	40,023,250	142,588,040	1,349,343,920	1,491,931,960	49.64
2005	1,606,199,670	63,984,560	37,866,350	165,946,020	1,542,104,560	1,708,050,580	49.64
2006	1,611,429,080	45,456,080	36,164,160	180,126,190	1,512,923,130	1,693,049,320	49.50
2007	1,635,959,680	24,896,760	32,546,400	184,594,770	1,508,808,070	1,693,402,840	53.39
2008	1,632,851,870	2,585,353	32,779,000	176,010,640	1,492,205,583	1,668,216,223	53.39

Source: Hamilton County Auditor

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

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

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

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

Calendar Year	District Direct Rates		Overlapping Rates							
	General Purpose	Debt	Total	Hamilton County	City of Fairfield	City of Forest Park	City of North College Hill	Colerain Township	Green Township	Springfield Township
1999	48.54	1.59	50.13	20.83	4.54	6.33	6.68	10.84	8.81	14.30
2000	48.54	1.26	49.80	19.92	5.94	6.33	6.68	15.18	8.81	14.30
2001	48.54	1.26	49.80	21.47	5.94	11.08	6.68	15.18	8.31	20.30
2002	48.54	1.10	49.64	21.87	5.94	11.08	6.68	16.18	8.31	20.30
2003	48.54	1.10	49.64	21.51	5.94	11.08	6.68	16.18	8.31	20.30
2004	48.54	1.10	49.64	21.06	5.94	11.08	6.68	16.18	8.31	20.30
2005	48.54	1.10	49.64	20.81	5.94	11.08	6.68	16.18	9.81	20.30
2006	48.54	0.96	49.50	19.78	5.94	11.08	6.68	16.18	9.81	20.30
2007	52.43	0.96	53.39	20.18	5.94	11.08	6.68	16.18	9.81	20.30
2008	52.43	0.96	53.39	20.56	5.94	11.08	6.68	17.33	9.81	20.30

Source: Hamilton County Auditor

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

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

Taxpayer	2008 (2)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Duke Energy Ohio Inc.	\$32,433,360	1.94%
Northgate Partners LLC	29,401,060	1.76%
KIR Colerain LLC	9,634,760	0.58%
Schottenstein-Colerain LLC	6,895,700	0.41%
Rumpke Sanitary Landfill Inc.	5,973,940	0.36%
Prospect Square LLC	5,600,020	0.34%
Proctor & Gamble Co.	4,886,590	0.29%
Northwest Woods LLC	4,011,950	0.24%
Lees Crossing LLC	3,986,400	0.24%
Ashley Woods Limited Partnership	3,897,750	0.23%
Total Principal Taxpayers	106,721,530	6.40%
All Other Taxpayers	1,561,494,693	93.60%
Total All Taxpayers	\$1,668,216,223	100.00%

Taxpayer	2005 (2)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Northgate Partners LLC	\$36,238,910	2.14%
Cincinnati Gas and Electric Company	28,805,050	1.70%
Procter & Gamble Co	16,811,850	0.99%
Rumpke Consolidated	13,619,400	0.80%
KIR Colerain LLC	9,634,760	0.57%
Cincinnati Bell	6,489,920	0.38%
Cincinnati Mills	6,076,140	0.36%
Prospect Square Associates LLC	4,725,010	0.28%
Cobblewood Plaza	4,469,890	0.26%
Timberlake Family Ltd.	4,020,180	0.24%
Total Principal Taxpayers	130,891,110	7.73%
All Other Taxpayers	1,562,158,210	92.27%
Total All Taxpayers	\$1,693,049,320	100.00%

Source: Hamilton County Auditor

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

(2) - Denotes calendar year

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$44,397,128	\$40,796,464	91.89%	\$1,058,792	\$41,855,256	94.27%
2000	44,701,487	40,796,464	91.26%	977,718	41,774,182	93.45%
2001	45,657,507	41,940,289	91.86%	1,499,105	43,439,394	95.14%
2002	45,340,673	41,684,515	91.94%	1,439,366	43,123,881	95.11%
2003	45,828,885	41,698,136	90.99%	1,224,709	42,922,845	93.66%
2004	46,580,056	42,225,846	90.65%	1,586,109	43,811,955	94.06%
2005	46,683,849	42,637,282	91.33%	1,496,380	44,133,662	94.54%
2006	47,821,130	42,673,894	89.24%	1,777,244	44,451,138	92.95%
2007	46,763,460	43,657,969	93.36%	1,326,968	44,984,937	96.20%
2008	50,800,639	48,207,637	94.90%	1,590,158	49,797,795	98.03%

Source: Hamilton County Auditor

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

Fiscal Year	Governmental Activities		Ratio of General Bonded Debt to Estimated Actual Value (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds	Total Primary Government			
2000	\$24,575,000	\$24,575,000	1.81%	0.09%	\$282
2001	24,200,000	24,200,000	1.78%	0.09%	277
2002	23,790,000	23,790,000	1.74%	0.08%	272
2003	23,340,000	23,340,000	1.59%	0.08%	266
2004	22,845,000	22,845,000	1.54%	0.07%	260
2005	22,305,000	22,305,000	1.50%	0.07%	253
2006	21,715,000	21,715,000	1.27%	0.07%	245
2007	21,040,000	21,040,000	1.24%	0.06%	236
2008	20,250,000	20,250,000	1.20%	0.06%	226
2009	19,405,000	19,405,000	1.16%	N/A	N/A

Source: District Records

N/A - Information not available

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2007 is calendar year 2006)

Northwest Local School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2009
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Butler County	\$61,743,087	0.03%	\$18,523
Hamilton County	108,530,000	8.29%	8,997,137
City of Fairfield	24,350,000	0.02%	4,870
City of Forest Park	6,180,000	12.41%	766,938
City of North College Hill	400,000	1.19%	4,760
Colerain Township	8,090,000	93.37%	7,553,633
Fairfield Township	8,690,000	0.49%	42,581
Green Township	3,835,000	28.85%	1,106,398
Springfield Township	12,750,000	11.91%	1,518,525
Subtotal, Overlapping Debt	234,568,087		20,013,364
District direct debt	19,405,000	99.87%	19,379,774
Total direct and overlapping debt	\$253,973,087		\$39,393,138

Source: Ohio Municipal Advisory Council

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

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

		Legal Debt Margin Calculation for Fiscal Year 2009									
		Fiscal Year									
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit		\$122,631,980	\$121,800,642	\$123,486,468	\$133,366,152	\$133,468,850	\$134,599,834	\$153,256,696	\$154,705,985	\$152,211,071	\$150,139,460
Total Net Debt Applicable to Limit		23,145,446	22,682,610	22,161,099	21,602,805	21,341,576	20,659,908	19,946,828	21,040,000	20,250,000	19,405,000
Legal Debt Margin		<u>\$99,486,534</u>	<u>\$99,118,032</u>	<u>\$101,325,369</u>	<u>\$111,763,347</u>	<u>\$112,127,274</u>	<u>\$113,939,926</u>	<u>\$133,309,868</u>	<u>\$133,665,985</u>	<u>\$131,961,071</u>	<u>\$130,734,460</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		18.87%	18.62%	17.95%	16.20%	15.99%	15.35%	13.02%	13.60%	13.30%	12.92%

Source: District Records

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1999	85,875	\$27,420,292	\$32,262	3.6%
2000	85,875	28,329,667	33,566	3.7%
2001	85,875	29,136,541	34,499	4.0%
2002	85,875	30,010,701	35,712	5.5%
2003	85,875	30,556,012	36,526	5.6%
2004	85,875	31,972,899	38,417	5.7%
2005	85,875	33,087,346	39,937	5.7%
2006	85,875	35,146,091	41,477	5.0%
2007	85,875	36,488,577	42,730	5.0%
2008	85,875	N/A	N/A	5.6%

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

N/A - Information not available

Northwest Local School District
Major Employers (1)
Current Fiscal Year and Fiscal Period One Year Ago (2)
Schedule 16

2009			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Convergys Corp	Serv	(4)	(5)
Duke Energy Corp	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

2008			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Convergys Corp	Serv	(4)	(5)
Duke Energy Corp	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Hamilton County

(2) - Only current fiscal year and fiscal period one year ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Supervisory						
Instructional administrators	9	9	11	11	10	10
Noninstructional administrators	4	5	6	7	6	5
Consultant/supervisors of instruction	13	15	9	7	4	4
Principals	14	14	14	14	14	13
Assistant principals	13	12	11	12	12	12
Total Supervisory	53	55	51	51	46	44
Instruction						
Elementary classroom teachers	235	275	242	250	261	247
Secondary classroom teachers	395	369	393	372	358	324
ESE teachers	27	29	31	31	9	9
Aides	53	54	50	53	53	52
Total Instruction	710	727	716	706	681	632
Student Services						
Guidance counselors	19	19	17	17	17	18
Psychologists	0	1	1	1	0	0
Librarians	5	6	4	4	4	4
Other professionals (noninstructional)	11	26	12	10	10	10
Technicians	36	68	68	68	66	69
Total Student Services	71	120	102	100	97	101
Support and Administration						
Clerical/secretarial	79	77	75	75	75	75
Service workers	220	221	220	204	203	203
Skilled crafts	18	18	18	18	18	18
Unskilled laborers	89	87	88	90	85	85
Total Support and Administration	406	403	401	387	381	381
Total	1,240	1,305	1,270	1,244	1,205	1,158

Source: District records

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

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

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil (2)		Percentage Change	Expenses (3)	Cost Per Pupil (4)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			Cost Per Pupil (2)	Cost Per Pupil (4)							
2000	10,465	\$59,262,504	\$5,663	N/A	9.23%	N/A	N/A	N/A	642	16.30	19.55%
2001	10,510	64,474,905	6,135	N/A	8.33%	N/A	N/A	N/A	670	15.69	21.61%
2002	10,504	77,461,582	7,374	\$78,057,061	20.21%	\$78,057,061	\$7,431	N/A	678	15.49	21.53%
2003	10,646	79,465,680	7,464	81,438,457	1.22%	81,438,457	7,650	2.94%	665	16.01	23.30%
2004	10,647	85,554,229	8,036	87,956,305	7.65%	87,956,305	8,261	7.99%	673	15.82	24.09%
2005	10,561	89,885,348	8,511	91,987,055	5.92%	91,987,055	8,710	5.43%	690	15.31	27.86%
2006	10,332	88,865,859	8,601	91,244,899	1.06%	91,244,899	8,831	1.39%	665	15.54	29.36%
2007	10,370	90,321,279	8,710	92,457,640	1.27%	92,457,640	8,916	0.96%	653	15.88	30.95%
2008	9,823	98,155,396	9,992	100,390,039	14.73%	100,390,039	10,220	14.63%	585	16.79	30.53%
2009	9,616	93,039,570	9,675	93,922,968	-3.17%	93,922,968	9,767	-4.43%	576	16.69	38.28%

Source: District records

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

(2) - Operating Expenditure by Enrollment

(3) - Expenses is Total Expenses from Schedule 2

(4) - Expenses by Enrollment

N/A - Information not available

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

School	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Elementary										
Colerain Elementary - 1923										
Square feet	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934
Capacity (1)	850	850	850	850	850	850	850	850	850	850
Enrollment	725	706	702	699	689	695	667	668	645	852
Bevis Elementary - 1970										
Square feet	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640
Capacity (1)	600	600	600	600	600	600	600	600	600	600
Enrollment	548	533	536	506	496	486	489	490	445	429
Houston Elementary - 1966										
Square feet	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826
Capacity (1)	600	600	600	600	600	600	600	600	600	0
Enrollment	530	517	509	495	479	475	422	422	408	0
Monfort Heights Elementary - 2000										
Square feet	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787
Capacity (1)	700	700	700	700	700	700	700	700	700	700
Enrollment	706	670	671	751	791	728	717	718	685	645
Pleasant Run Elementary - 1961										
Square feet	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751
Capacity (1)	575	575	575	575	575	575	575	575	575	575
Enrollment	551	540	537	556	522	509	500	500	481	394
Struble Elementary - 1959										
Square feet	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Capacity (1)	376	376	376	376	376	376	376	376	376	376
Enrollment	435	400	394	350	377	376	404	405	400	408
Taylor Elementary - 1960										
Square feet	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262
Capacity (1)	525	525	525	525	525	525	525	525	525	525
Enrollment	426	431	526	540	527	500	470	493	348	488
Weigel Elementary - 1965										
Square feet	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057
Capacity (1)	500	500	500	500	500	500	500	500	500	500
Enrollment	494	478	492	468	480	505	498	502	467	470
Weich Elementary - 1977										
Square feet	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800
Capacity (1)	425	425	425	425	425	425	425	425	425	425
Enrollment	371	356	345	367	357	349	372	372	325	387

Source: District records

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

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

School	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Junior High School										
Colerain Middle - 1932										
Square feet	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591
Capacity (1)	675	675	675	675	675	675	675	675	675	675
Enrollment	681	721	716	725	718	730	719	720	688	670
Pleasant Run Middle - 1969										
Square feet	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230
Capacity (1)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	1,027	1,008	1,002	1,009	993	923	880	879	857	867
White Oak Middle - 1961										
Square feet	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950
Capacity (1)	735	735	735	735	735	735	735	735	735	735
Enrollment	778	819	817	846	807	782	766	773	754	751
High School										
Colerain High - 1964										
Square feet	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768
Capacity (1)	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Enrollment	1,927	2,021	1,965	2,058	2,176	2,277	2,215	2,215	2,166	2,151
Northwest High - 1972										
Square feet	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345
Capacity (1)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	1,266	1,310	1,292	1,276	1,235	1,226	1,213	1,213	1,154	1,104

Source: District records

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

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Mary Taylor, CPA
Auditor of State

**NORTHWEST LOCAL SCHOOL DISTRICT
HAMILTON COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 4, 2010**