



NORTHWEST LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2015





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Northwest Local School District, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

February 24, 2016

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NORTHWEST LOCAL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2015

<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>				
<i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution)</i>				
National School Lunch Program	n/a	10.555	\$ 255,592	255,592
<i>Cash Assistance</i>				
School Breakfast Program	006-000	10.553	377,824	377,824
National School Lunch Program	006-000	10.555	<u>2,027,374</u>	<u>2,027,374</u>
<i>Cash Assistance Subtotal</i>			<u>2,405,198</u>	<u>2,405,198</u>
Nutrition Cluster Total			<u>2,660,790</u>	<u>2,660,790</u>
Total U.S. Department of Agriculture			<u>2,660,790</u>	<u>2,660,790</u>
<u>U.S. Department of Education:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	572-9401	84.010	116,726	144,412
Title I Grants to Local Educational Agencies	572-9501	84.010	3,184,346	3,142,291
Title I Grants to Local Educational Agencies (Title I Neglected)	572-9402	84.010	1,075	-
Title I Grants to Local Educational Agencies (Title I Neglected)	572-9502	84.010	32,790	34,035
Title I School Improvement Grant	536-9401	84.010	15,996	7,787
Title I School Improvement Grant	536-9501	84.010	<u>163,632</u>	<u>167,475</u>
Title I, Part A Cluster Total			<u>3,514,565</u>	<u>3,496,000</u>
Special Education Cluster:				
Special Education - Grants to States	516-9401	84.027	447,347	155,738
Special Education - Grants to States	516-9501	84.027	2,267,931	2,300,425
Special Education - Grants to States	516-9502	84.027	17,981	17,854
Special Education - Preschool Grants	587-9401	84.173	7,030	1,649
Special Education - Preschool Grants	587-9501	84.173	<u>27,009</u>	<u>29,039</u>
Special Education Cluster Total			<u>2,767,298</u>	<u>2,504,705</u>
ARRA - Race to the Top	506-9401	84.395	15,596	3,931
ARRA - Race to the Top	506-9501	84.395	<u>196,315</u>	<u>196,315</u>
			<u>211,911</u>	<u>200,246</u>
English Language Acquisition Grants	551-9401	84.365	2,117	-
English Language Acquisition Grants	551-9501	84.365	57,451	58,356
English Language Acquisition Grants - Immigrant	551-9502	84.365	<u>2,000</u>	<u>2,000</u>
			<u>61,568</u>	<u>60,356</u>
Improving Teacher Quality State Grants	590-9401	84.367	40,727	39,757
Improving Teacher Quality State Grants	590-9501	84.367	<u>201,070</u>	<u>201,521</u>
			<u>241,797</u>	<u>241,278</u>
Total U.S. Department of Education			<u>6,797,139</u>	<u>6,502,585</u>
Total Federal Awards			<u>\$ 9,457,929</u>	<u>9,163,375</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 AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Northwest Local School District:

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the "School District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 21, 2015, wherein we noted the School District adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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cincinnati, oh 45202

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 21, 2015

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Northwest Local School District:

Report on Compliance for Each Major Federal Program

We have audited Northwest Local School District's ("School District") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2015. 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.

Management's Responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the School District as of and for the year ended June 30, 2015, and have issued our report thereon dated December 21, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial

statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 21, 2015

NORTHWEST LOCAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors’ report issued on compliance for major programs:	unmodified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no

Identification of major programs:

Nutrition Cluster
CFDA 10.553 – School Breakfast Program
CFDA 10.555 – National School Lunch Program

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

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Schedule of Prior Audit Findings

None

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



NORTHWEST LOCAL SCHOOL DISTRICT

CINCINNATI, OHIO

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NORTHWEST LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY:
OFFICE OF THE TREASURER
AMY M. WELLS, TREASURER/CFO

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*Northwest Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015*

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INTRODUCTORY SECTION





NORTHWEST LOCAL SCHOOL DISTRICT

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

BOARD:

Dan Unger, President
Michael Harlow, Vice President
Jim Detzel, Member
Chris Heather, Member
Pamela Detzel, Member

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

December 21, 2015

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

The Comprehensive Annual Financial Report [CAFR] of the Northwest Local School District [School District] for the fiscal year ended June 30, 2015, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Clark, Schaefer, Hackett & Co. and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is with the School District. This report will provide the taxpayers of the Northwest Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties. The CAFR is also available on the Treasurer's page on the Northwest Local School District website (<http://www.nwlsd.org>).

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

THE SCHOOL DISTRICT AND ITS FACILITIES

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

The School District now houses 9,080 students in two high schools, three middle schools, seven elementary schools, one preschool and two career centers. Each high school has an on-campus career center offering such programs as word processing, accounting and computing, data processing, diesel mechanics, machine tool technology, facilities management and electronics offered by Butler Tech. Students also can attend off-site career technical programs offered by Butler Tech.

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2014 Enrollment</i>
1923	Colerain Elementary 4850 Poole Road	942
1932	Colerain Middle School 4700 Poole Road	595
1959	Struble Elementary 2760 Jonrose Avenue	439
1960	Taylor Elementary 3173 Springdale Road	575

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2014 Enrollment</i>
1961	White Oak Middle School 3130 Jessup Road	754
1961	Pleasant Run Elementary 11765 Hamilton Avenue	514
1964	Colerain High School 8801 Cheviot Road	1,976
1965	Weigel Elementary 3242 Banning Road	424
1969	Pleasant Run Middle 11770 Pippin Road	709
1972	Northwest High School 10761 Pippin Road	1,007
1977	Welch Elementary 12084 Deerhorn Drive	494
2000	Monfort Heights Elementary 3711 West Fork Road	651

Houston Elementary School is closed. It is now the Houston Early Learning Center and Conference Center. Welch, Struble and Taylor are primary schools with grades K through 2.

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

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 School District's tax dollars and approves the annual appropriation resolution and tax budget.

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

The Board members represent a cross section of professions in the community. The board members on June 30, 2015, were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Jim Detzel	January, 2008	December, 2019	Business Owner
Pamela Detzel	January, 1998	December, 2017	Business Owner
Chris Heather	January, 2014	December, 2017	Psychiatric Nurse Practitioner
Michael Harlow	January, 2014	December, 2017	Consultant
Dan Unger	January, 2008	December, 2015*	Technical Sales

*Replaced by Bob Engle January, 2016

The Superintendent is the Chief Executive Officer of the School District, responsible directly to the Board for all educational and support operations. Dr. Andrew Jackson resigned from the Superintendent position on June 30, 2015. Mr. Todd Bowling was appointed Superintendent July 1, 2015. Mr. Bowling grew up and attended school in the School District and started his career as a teacher for the School District. In 1997, Mr. Bowling left the School District and became an elementary school principal and Director of Elementary and Secondary Education for Mt. Healthy City Schools. In 2007, Mr. Bowling rejoined the School District when he became the principal of Northwest High School. In 2013, Mr. Bowling became the Director of Business Services for the School District. Mr. Bowling received his Bachelor's degree from the University of Dayton. He also has his Master's degree from the University of Cincinnati and his Superintendents license from Xavier University.

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

EMPLOYEE RELATIONS

The School District currently has approximately 1,103 full-time and 5 part-time employees. The number of employees has decreased over the past year due to budget reductions approved by the Board of Education. During the 2015 fiscal year, the School District paid, from its General Fund \$44,364,495 in salaries and wages, and \$16,751,172.01 in fringe benefits, such as retirement contributions, medicare taxes, workers' compensation, and life, dental and health benefits.

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

SERVICES PROVIDED

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

Transportation is provided for 5,603 students each day. The School District fleet of 98 buses travels over 6,709 miles each day transporting 75 school bus routes to 21 different sites. In addition to making more than 512 daily runs, the department transported both public and non-public students on 2,235 extra-curricular trips during the year.

The food service department served 772,578 plate lunches through the School District's 13 kitchens. This is accomplished through the full operation of 11 kitchens and 2 satellite sites. Beginning fiscal year 2015, a reimbursable breakfast program was available in all 13 of the School District's schools.

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

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

The School District offers regular instructional programs daily to students in grades K-12. There are 1,003.33 full-time equivalency students in the specific trades through career technical education. Over 1,274 students receive special services due to physical or mental handicapping conditions. In grades 4-8, approximately 180 students participated in the gifted program. The School District presented 703 high school diplomas in 2015.

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

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

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

CHALLENGES FOR 2015-2016 AND BEYOND

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

SCHOOL DISTRICT GOALS AND STRATEGIES FOR 2015-2016

Goal 1: Academic Achievement

By the end of School Year 2015-16, students in the Northwest Local School District will meet or exceed State goals in all measured categories (Achievement, Gap Closing, Graduation Rate, Progress, K-3 Literacy, and College and Career Readiness).

Strategy 1.A (Curriculum/Instruction Alignment)

Align, implement and monitor scientifically research-based curriculum, instruction and assessment with state's challenging academic content standards and the Marzano Common Language of Instruction.

Action Steps

- 1.A.1 Require a Building Leadership Team (BLT) that utilizes a common protocol to analyze data (ie: MAP/MPG, TBT, i-observation, state assessment) and facilitate vertical and horizontal alignment of instruction.
- 1.A.2 Monitor teacher utilization of the essential understanding documents (K-12) that align with New State Standards and the Marzano Common Language of Instruction.
- 1.A.3 Monitor teachers in the implementation of research-based strategies aligned with the Marzano Framework utilizing instructional coaches, specialists and/or BLT members as resources.
- 1.A.4 Review and align School District assessment practices with New State Standards and evaluate readiness for the next generation of assessments.

- 1.A.5 Require grade/subject based Teacher Based Teams (TBTs) that utilize common protocols and recommend changes in instruction that are monitored by evaluators (K-12).
- 1.A.6 Utilize formative instructional practices including appropriate grade, content and building-level assessments that inform TBT/BLT discussions and instruction.
- 1.A.7 Provide increased access to instructional technology as the School District moves to a common platform and prepares for the next generation of assessments.

Strategy 1.B (Professional Development)

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

Action Steps

- 1.B.1 Provide structures and guidance for professional development and collaboration at the building level (ie: early release, release time, summer pay, in-service days)
- 1.B.2 Provide job-embedded professional development on effective instructional practices aligned to the content segments of the Marzano Framework (DQ 2, 3 & 4) through a variety of delivery methods (ie; instructional rounds, Learning Science workshops, building/district level in-service).
- 1.B.3 Utilize the teacher and principal evaluation system as a tool for providing targeted feedback aligned to the desired effect in order to improve student achievement.
- 1.B.4 Monitor and evaluate the reliability and alignment of the evaluation system in relation to student outcomes and teacher performance and provide professional development to ensure inter-rater reliability
- 1.B.5 Support a culture of data literacy by providing access to and professional development on Data Map, School Net, formative instructional practices, and assessment literacy.
- 1.B.6 Provide mentors and support to entry-level teachers through a resident educator program.

Goal 2: Culture and Climate

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

Strategy 2.A (Support Programs)

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

Action Steps

- 2.A.1 Implement and evaluate research-based strategies in response to discipline data that are designed to ensure positive school climates that promote learning and growth for all students as outlined in the Marzano Framework with a specific focus on Design Question 8 – Effective Relationships.
- 2.A.2 Evaluate and revise the scope, roles, and responsibilities of the Student Support Team.

- 2.A.3 Evaluate and revise if necessary the continuum of supports/resources available for academic/behavior programs at all levels (ALP, MST, Eagle's Gate, Credit Recovery, Northwest Passage)
- 2.A.4 Provide services and assistance to homeless students.
- 2.A.5 Address discrepancies in discipline data by analyzing code of conduct violations and corresponding consequences and developing systems to ensure consistent responses to and documentation of code of conduct violations.
- 2.A.6 Provide and support access to School District and community resources, information and training to parents and students that will contribute to the academic, emotional and social success of their child.
- 2.A.7 Seek input from the community on critical School District issues through surveys, focus groups, community members on all study teams and continuation of financial advisory and budget teams.
- 2.A.8 Meet regularly with a district-wide crisis team that represents the entire school community and make recommended changes that will ensure a safe school environment.
- 2.A.9 Provide and monitor targeted intervention and enrichment programs (tutoring and other supports) that utilize research-based intervention materials and strategies that address individual student needs.
- 2.A.10 Conduct a district-wide audit of Response to Intervention practices and make recommendations for common protocols, systems and structures that include research based academic and behavioral interventions.
- 2.A.11 Plan and support transition programs for students moving from one building to another.
- 2.A.12 Evaluate our current ESL services, investigate best practices and make recommendations for changes in programming to meet the needs of our increasingly diverse ESL population.

Goal 3: Career and Technical Education

Students will be prepared with the academic and technical skills needed to be successful in postsecondary education and the workplace; all students will be provided the career knowledge needed to make informed career-decisions. School District will work to close the achievement gaps and raise student achievement to meet School District, state, High Schools that Work, Making Middle Grades Work, and federal targets by 2015.

Strategy 3.A (Student Supports)

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

Action Steps

- 3.A.1 Utilize a building leadership team to analyze building needs, coordinate action steps aligned to the School District improvement plan and monitor the implementation and effectiveness of the building improvement plan.
- 3.A.2 Provide targeted academic and behavioral interventions to middle school students.

CURRICULUM AND INSTRUCTION

Curriculum work centers on student attainment of state academic content standards in mathematics, English language arts, social studies and science. Current work is centered on implementation of the new Ohio Learning Standards. School District teachers and administrators have collaborated to develop detailed curriculum documents for all grades and subjects that identify key learning goals as well as scales to evaluate attainment of these goals.

All staff participates in job-embedded professional development centered on Formative Instructional Practices. Common reading and math assessments are administered in grades K-8. Common mid-terms and finals are administered at the high school level. The data from these assessments is used to refine teaching and provide intervention and enrichment for students. The performance of students in various 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. Title I served schools utilize instructional coaches who work collaboratively with administrators and teachers to improve instruction.

The middle schools utilize a 6-bell schedule to provide increased time in the core subject areas of English language arts, math, science and social studies as well as collaborative planning time for teachers.

The high schools utilize a 7-bell schedule with collaborative planning time for teachers. This provides students the opportunity to accomplish the challenging standards necessary for passage of the Ohio Graduation Test as well as the new end of course exams. A variety of educational and career pathways are in place to provide support for all students.

The School 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 a high performing School District and meeting the needs of ALL students.

BUSINESS-SCHOOL PARTNERSHIP PROGRAM

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

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

LONG-RANGE BUILDING AND MAINTENANCE PLANS

The School District maintains a five year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance check list. This five year plan provides the School District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection of costs for these projects. The School District finalized a renovation program during the summer of 2012 and 2013. The School District renovated the majority of the top floors of each high school to accommodate Blended Learning Labs for a new instructional initiative. The School District also underwent a School District-wide HB264 Energy Conservation measure during 2013. The School District did

major renovations of each high school's Auditorium and Gymnasiums during the summer of 2014. Additional work was done on our elementary buildings that involved roofing and heating issues. In 2014, the School District created an \$86 million Master Facility Plan that determined what schools need renovation versus complete replacement based upon needs and costs. In November, 2015, the community approved a combined bond/operating levy for \$76 million towards the completion of the \$86 million project. \$10 million of Unassigned General Fund monies will be used to complete the project.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

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

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

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

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

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

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

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

FINANCIAL CONDITION

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

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

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

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 School District. This discussion follows this letter of transmittal, providing an assessment of the School District’s finances for 2015 and the outlook for the future.

INDEPENDENT AUDIT

Provisions of State statute require that the School District’s financial statements be subjected to an annual examination by an independent auditor. The Clark, Schaefer, Hackett & Co.’s unmodified opinion rendered on the School District’s basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The School District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year. The School District is contracted with an IPA through fiscal year 2015 for the annual audit.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The School District has received this award annual since fiscal year 1991.

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

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

ASBO Certificate

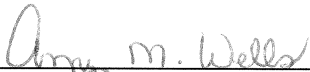
The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted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

The School District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2014. The School District has received this award annual since fiscal year 1991. The School District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2015, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

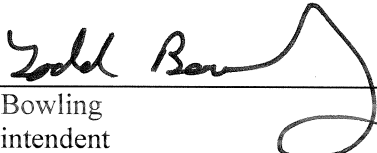
ACKNOWLEDGEMENTS

The preparation of the 2015 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the School District's Treasurer's Department and the Ohio Auditor of State's Local Government Services Section. The publication of this Comprehensive Annual Financial Report for the School District is a major step in reinforcing the accountability of the School District to the taxpayers of the community.

Respectfully submitted,



Amy M. Wells
Treasurer/CFO



Todd Bowling
Superintendent

Principal officials as of 6/30/15

Elected Officials

Dan Unger	President, Board of Education
Michael Harlow	Vice President, Board of Education
Jim Detzel	Board Member
Pamela Detzel	Board Member
Chris Heather	Board Member

Administrative Office Administrators

Dr. Andrew Jackson*	Superintendent
Traci Rea	Asst. Superintendent of Human Resources
Jennifer Blust	Director of Curriculum Services
Todd Bowling	Director of Business Services
Pauletta Crowley	Asst. Director Community & Student Services
Darrell Yater	Asst. Director of Curriculum & Special Education
Mike Holbrook	Asst. Director of Sec. Curriculum & Intervention Services
Amy M. Wells	CFO/Treasurer
Kris Lankford	Assistant Treasurer

District Supervisors

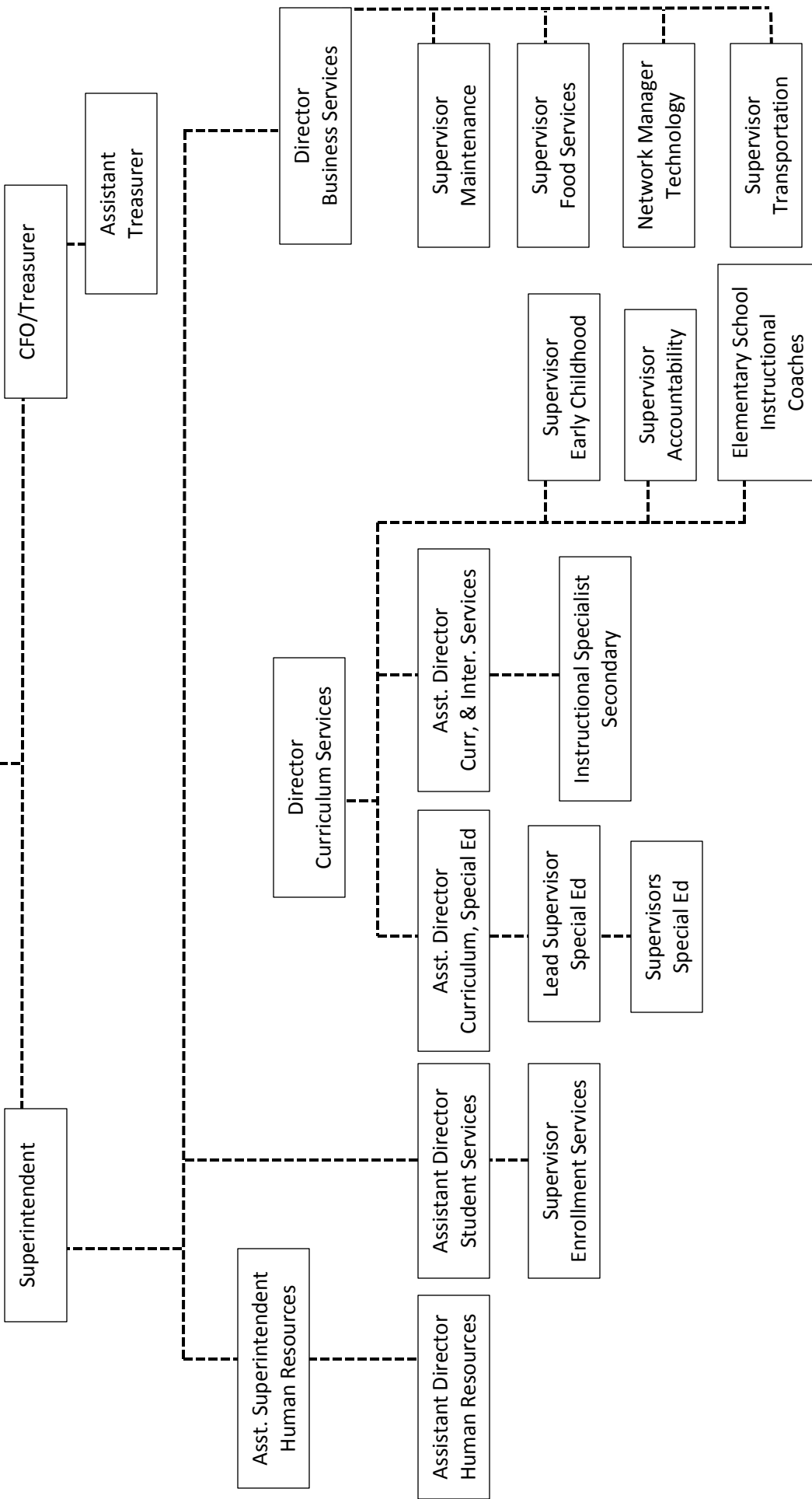
Andreas Scheidt	Maintenance
Terry Williams	Transportation
Elizabeth Fenimore	Special Education
Sandy Blanck	Special Education
Kimberly Jones	Special Education
Jan Vanderplough	Special Education
Cheryl Romans	Food Services
Brenda Miller	Instructional Accountability Services
Matt Piening	Enrollment & Attendance Services
Barbara Hill	Early Childhood

Curriculum Instructional Specialists and Coordinators

Terri Sutton	Elementary
Cheryl Kremer	Elementary
Susan Willoughby-Crawford	Secondary
Shonda Moore	Health Services
Leslie Silbernagel	Secondary
Heather Kidd	Secondary

*Superintendent Dr. Andrew Jackson resigned on June 30, 2015, and the Board of Education appointed Todd Bowling as Superintendent on July 1, 2015. Todd Bowling remained the Director of Business Services after appointment as Superintendent.

BOARD OF EDUCATION





Government Finance Officers Association

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

Presented to

**Northwest Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



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

Northwest Local School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Northwest Local School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the School District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standards

As discussed in Note 3, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions were not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose 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 the statistical section, are presented for purposes of additional analysis are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 21, 2015

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**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2015**

The discussion and analysis of Northwest Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- General revenues accounted for \$87,369,595 in revenue or 81 percent of all revenues. Program specific revenues in the form of charges for services, grants or contributions accounted for \$20,634,921 or 19 percent of total revenues of \$108,004,516.
- The School District had \$97,200,290 in expenses related to governmental activities; \$20,634,921 of these expenses was offset by program specific charges for services and operating grants or contributions. General revenues of \$87,369,595 were available to provide for these programs.

Overview of the Financial Statements

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

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

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

Governmental-wide Financial Statements

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2015?" The government-wide financial statements answer this question. These statements include all assets and deferred outflows and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting, takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2015**

These statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School 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 School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

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

Fund Financial Statements

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

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

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

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

The School District as a Whole

As stated previously, the statement of net position looks at the School District as a whole. Table I provides a summary of the School District's net position for fiscal year 2015 compared to fiscal year 2014:

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2015**

Table 1
Net Position
Governmental Activities

	2015	2014	Change
Assets:			
Current and Other Assets	\$106,295,304	\$103,715,498	\$2,579,806
Capital Assets	33,084,880	31,107,548	1,977,332
Total Assets	139,380,184	134,823,046	4,557,138
Deferred Outflows of Resources:			
Pension	7,876,069	6,369,417	1,506,652
Liabilities:			
Other Liabilities	11,165,513	11,002,141	163,372
Long-Term Liabilities:			
Net Pension Liability	105,890,986	125,794,360	(19,903,374)
Other Amounts	27,985,334	30,646,884	(2,661,550)
Total Liabilities	145,041,833	167,443,385	(22,401,552)
Deferred Inflows of Resources:			
Property Taxes	28,866,695	30,572,078	(1,705,383)
Payment in Lieu of Taxes	4,008,794	3,752,272	256,522
Pension	19,109,977	0	19,109,977
Total Deferred Inflows of Resources	51,985,466	34,324,350	17,661,116
Net Position:			
Net Investment in Capital Assets	8,822,606	5,508,604	3,314,002
Restricted	3,612,634	4,587,670	(975,036)
Unrestricted	(62,206,286)	(70,671,546)	8,465,260
Total Net Position	(\$49,771,046)	(\$60,575,272)	\$10,804,226

During 2015, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension. Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

**Northwest Local School District
Management's Discussion and Analysis
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Under the new standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position for governmental activities at June 30, 2014, from \$58,849,671 to (\$60,575,272).

At year-end, capital assets represented 24 percent of total assets. Capital assets include land, buildings and improvements, and equipment. Increases in capital assets are the result of building and educational improvements at both high schools, as well as, technology and bus purchases within equipment classification. Current and other assets increased due to additional taxes being collected from the permanent improvement levy.

The School District did not issue any debt during fiscal year 2015 and therefore decreased long-term liabilities while deferred inflows of resources property taxes decreased due to a decrease in valuation.

A portion of the School District's net position, \$3,612,634, represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use. Continued budget reductions contributed to the increase in the School District's net position. Net investment in capital assets at June 30, 2015 was \$8,822,606. These capital assets are used to provide services to

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2015**

the students and are not available for future spending. Although the School District's net investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Table 2 shows the changes in net position for fiscal years 2015 and 2014.

Table 2
Changes in Net Position
Governmental Activities

	2015	2014	Change
Revenues			
Program Revenues:			
Charges for Services	\$5,010,447	\$4,243,718	\$766,729
Operating Grants, Contributions	15,624,474	14,148,185	1,476,289
General Revenues:			
Property Taxes	48,141,679	50,545,823	(2,404,144)
Grants and Entitlements	34,089,574	33,547,912	541,662
Other	5,138,342	4,356,156	782,186
Total Revenues	<u>108,004,516</u>	<u>106,841,794</u>	<u>1,162,722</u>
Program Expenses			
Instruction	55,737,691	54,525,320	1,212,371
Support Services:			
Pupils and Instructional Staff	8,857,080	7,609,355	1,247,725
Board of Education, Administration Fiscal, and Business	7,900,009	8,303,864	(403,855)
Operations and Maintenance of Plant	7,085,017	6,901,372	183,645
Pupil Transportation	5,805,654	6,156,186	(350,532)
Central	1,312,068	1,301,675	10,393
Operation of Non-Instructional Services	7,822,810	6,588,168	1,234,642
Extracurricular Activities	1,730,914	1,932,463	(201,549)
Interest and Fiscal Charges	949,047	1,045,993	(96,946)
Total Program Expenses	<u>97,200,290</u>	<u>94,364,396</u>	<u>\$2,835,894</u>
Change in Net Position	10,804,226	12,477,398	
Net Position Beginning of Year - Restated Note 3	<u>(60,575,272)</u>	N/A	
Net Position End of Year	<u><u>(\$49,771,046)</u></u>	<u><u>(\$60,575,272)</u></u>	

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2015**

Governmental Activities

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$6,369,417 for governmental activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$4,580,202. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

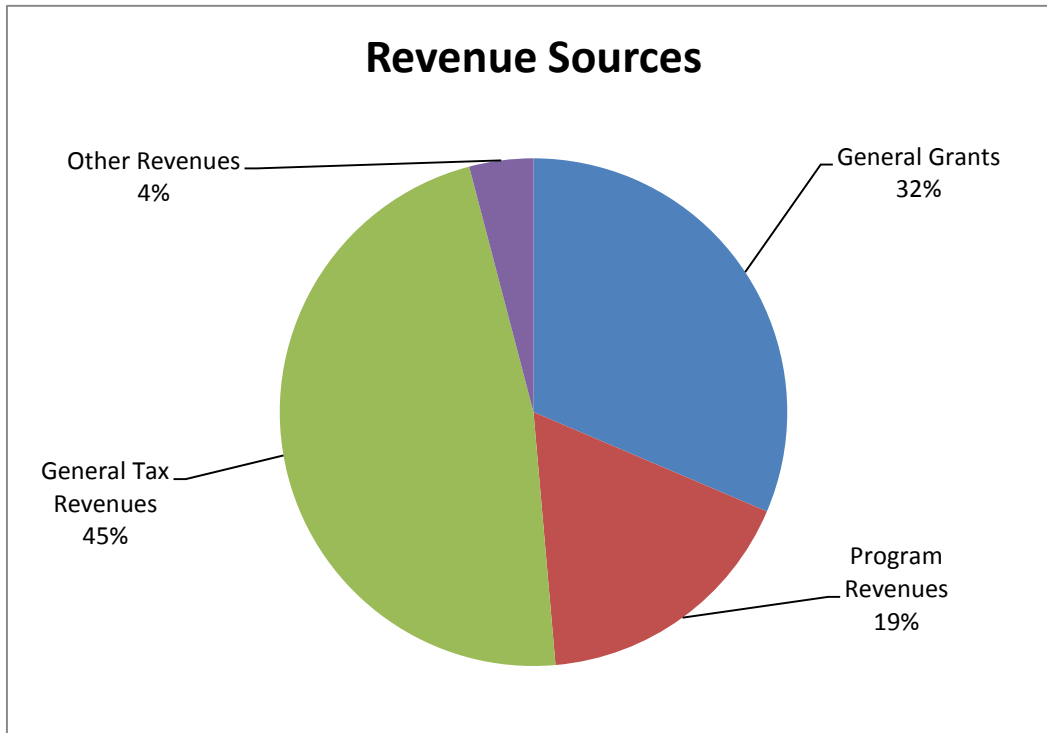
Total 2015 program expenses under GASB 68	\$97,200,290
Pension expense under GASB 68	(4,580,202)
2015 contractually required contribution	6,880,251
Adjusted 2015 program expenses	99,500,339
Total 2014 program expenses under GASB 27	94,364,396
Change in program expenses not related to pension	\$5,135,943

The School District revenues are mainly from two sources. Property taxes levied for general, capital projects and debt service purposes and grants and entitlements not restricted to specific programs comprised 76 percent of the School District's revenues for governmental activities.

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

Thus Ohio school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up about 45 percent of revenue for governmental activities for the School District in fiscal year 2015. The School District's reliance upon tax revenues is demonstrated by the following graph:

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2015**



General revenues decreased mainly due to decrease in property taxes of \$2,404,144 resulting from the 2014 update decrease in valuation and the prior year sale of the Stone Creek TIF property. Operating grants and contributions increased by \$1,476,289 primarily due to an increase in special education funding by the State and flow-through State and federal grants provided for non-public students.

Instruction comprises 57 percent of governmental program expenses. Support services expenses were 32 percent of governmental program expenses. Interest and all other expenses were 11 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Instruction and Support Services increased in total of \$1,899,747, as a result of wage and step increases. Operations for Non-Instructional Services increased because services provided by flow-through State and federal grants to non-public students increased by about \$1,231,251.

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

**Northwest Local School District
Management's Discussion and Analysis
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Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Instruction	\$55,737,691	\$54,525,320	(\$46,771,576)	(\$47,101,110)
Support Services:				
Pupil and Instructional Staff	8,857,080	7,609,355	(7,177,410)	(5,335,372)
Administrative, Board of Education, Fiscal and Business	7,900,009	8,303,864	(7,233,228)	(7,603,327)
Operations and Maintenance	7,085,017	6,901,372	(6,175,887)	(5,999,779)
Pupil Transportation	5,805,654	6,156,186	(5,418,501)	(5,765,239)
Central	1,312,068	1,301,675	(1,312,068)	(1,301,675)
Operation of Non-Instructional Services	7,822,810	6,588,168	(175,921)	(299,111)
Extracurricular Activities	1,730,914	1,932,463	(1,351,731)	(1,520,887)
Interest and Fiscal Charges	949,047	1,045,993	(949,047)	(1,045,993)
Total Expense	<u>\$97,200,290</u>	<u>\$94,364,396</u>	<u>(\$76,565,369)</u>	<u>(\$75,972,493)</u>

The School District's Funds

The School District has two major governmental funds: the General Fund and the Permanent Improvement Fund. Assets of the General Fund comprised \$92,245,392 (87 percent) of the total \$105,890,134 governmental fund assets. Assets of the Permanent Improvement Fund comprised \$8,034,440 (8 percent).

General Fund: The School District's fund balance at June 30, 2015 was \$50,844,048, including \$50,374,984 of unassigned balance. The primary reason for the \$8,104,765 increase in fund balance was due to management's proactive efforts to monitor operations and a desire to maintain at least 25 percent of General Fund expenditures in reserves.

Permanent Improvement: The School District's fund balance at June 30, 2015 was \$5,706,281, which was all committed. The primary reason for the \$2,241,270 decrease in fund balance was due to the School District utilizing this fund to finance the technology and bus replacement schedules, HB 264 and Blended Learning Labs, debt payments, and on-going summer permanent improvement projects.

General Fund Budgeting Highlights

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

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

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2015**

For the General Fund, final budget basis revenue was \$88,852,132, compared to original budget estimates of \$87,469,706. Of the \$1,382,426 variance most was due to an increase in State funding of approximately \$1 million.

For the General Fund, the final appropriations were \$83,213,294 and the original appropriations were \$81,209,091. There was a 2 percent increase in appropriations. For the General Fund, final appropriations were \$83,213,294. The final expenditures were \$81,842,676. There was a variance of \$1,370,618. The variance in appropriations versus expenditures was expected, giving authority to a greater range of appropriations, knowing that other internal controls will only allow those expenditures, when entirely necessary, coupled with legislative authority by consent of the Board of Education. The Administration and Board of Education have made additional dollars available in many categories in order to facilitate the educational needs of the School District as they arise. With the School District's tight internal controls, additional monies are appropriated in order to allow those individuals in charge to be creative in meeting their students' educational needs. The School District believes that appropriations should be prepared to operate in the best manner to meet the needs of those being educated. It is the School District's goal to allow funds to fully supplement the educational structure doing so in an effective and efficient manner. Judgment is used to value, educationally, the cash outlay for the benefit given. Both the Superintendent and the Treasurer of the School District have hands-on oversight of all School District purchases prior to being approved.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the School District had \$33,084,880 invested in land, buildings and improvements, and equipment, net of accumulated depreciation. Table 4 shows fiscal year 2015 balances compared to fiscal year 2014.

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

	Governmental Activities	
	2015	2014
Land	\$3,668,199	\$3,668,199
Buildings and Improvements	26,104,373	25,078,707
Equipment	3,312,308	2,360,642
Total Net Capital Asset	\$33,084,880	\$31,107,548

See Note 9 to the basic financial statements for more details on the School District's capital assets.

Debt

At June 30, 2015, the School District had \$24,283,150 in bonds outstanding, \$2,022,196 due within one year. Table 5 summarizes bonds outstanding.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2015**

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2015	2014
2005 Refunded Bonds		
Current Interest Bonds	\$12,115,000	\$13,305,000
Capital Appreciation Bonds	695,000	720,000
Accretion of Interest	542,196	541,966
2013 QZAB Bonds	3,460,000	3,730,000
2013 Tax-Exempt Bonds	1,230,000	1,310,000
2013 Certificates of Participation	5,895,000	6,220,000
Premium on Debt	345,954	390,410
 Total Debt	 \$24,283,150	 \$26,217,376

See Note 14 to the basic financial statements for further details on the School District's debt.

For the Future

With the continued support of the community for the renewal of the emergency levy in November 2015, the School District feels confident that it can maintain a strong financial future while entertaining curriculum improvements that may require additional financial obligations.

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

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

Contacting the School District's Financial Management

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

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Northwest Local School District
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$50,757,333
Accounts Receivable	40,459
Accrued Interest Receivable	56,350
Inventory Held for Resale	67,298
Intergovernmental Receivable	917,113
Payment in Lieu of Taxes Receivable	4,008,794
Property Taxes Receivable	50,447,957
Capital Assets:	
Land	3,668,199
Depreciable Capital Assets, Net	29,416,681
Total Assets	139,380,184
Deferred Outflows of Resources:	
Pension	7,876,069
Liabilities:	
Accounts Payable	676,736
Accrued Wages and Benefits Payable	7,410,207
Contracts Payable	709,416
Claims Payable	77,342
Matured Compensated Absences Payable	996,123
Intergovernmental Payable	1,220,612
Accrued Interest Payable	75,077
Long-Term Liabilities:	
Due Within One Year	2,621,580
Due Within More Than One Year	
Net Pension Liability	105,890,986
Other Amounts	25,363,754
Total Liabilities	145,041,833
Deferred Inflows of Resources:	
Property Taxes	28,866,695
Payment in Lieu of Taxes	4,008,794
Pension	19,109,977
Total Deferred Inflows of Resources	51,985,466
Net Position:	
Net Investment in Capital Assets	8,822,606
Restricted for:	
Debt Service	1,855,259
Capital Projects	681,133
Food Service	158,027
Special Trust	337,584
Career Consultant Grant	6,682
Athletics	211,253
State Grants	109,233
Federal Grants	140,134
Endowment:	
Expendable	34,329
Nonexpendable	79,000
Unrestricted (Deficit)	(62,206,286)
Total Net Position	(\$49,771,046)

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			Governmental Activities
Instruction:			
Regular	\$39,446,368	\$1,645,023	\$351,312
Special	16,054,184	462,843	6,485,532
Vocational	97,007	3,028	12,563
Student Intervention Services	140,132	5,814	0
Support Services:			
Pupils	5,570,842	378,621	358,499
Instructional Staff	3,286,238	0	942,550
Board of Education	123,176	0	0
Administration	5,504,484	0	666,781
Fiscal	1,849,298	0	0
Business	423,051	0	0
Operation and Maintenance of Plant	7,085,017	909,130	0
Pupil Transportation	5,805,654	34,032	353,121
Central	1,312,068	0	0
Operation of Non-Instructional Services	7,822,810	1,192,773	6,454,116
Extracurricular Activities	1,730,914	379,183	0
Interest and Fiscal Charges	949,047	0	0
Total Governmental Activities	\$97,200,290	\$5,010,447	\$15,624,474
General Revenues:			
Property Taxes Levied for:			
General Purposes			44,020,483
Capital Outlay			2,452,865
Debt Service			1,668,331
Payment in Lieu of Taxes			3,881,320
Investment Earnings			242,400
Grants and Entitlements not Restricted to Specific Programs			34,089,574
Gifts and Donations not Restricted to Specific Programs			255,556
Miscellaneous			759,066
Total General Revenues			87,369,595
Change in Net Position			10,804,226
Net Position at Beginning of Year - Restated (see Note 3)			(60,575,272)
Net Position at End of Year			(\$49,771,046)

See accompanying notes to the basic financial statements

Northwest Local School District
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$41,980,440	\$5,442,519	\$2,854,533	\$50,277,492
Receivables:				
Property Taxes	46,093,513	2,591,921	1,762,523	50,447,957
Payment in Lieu of Taxes	4,008,794	0	0	4,008,794
Intergovernmental	70	0	917,043	917,113
Accounts	31,553	0	8,906	40,459
Accrued Interest	56,350	0	0	56,350
Interfund	74,671	0	0	74,671
Inventory Held for Resale	0	0	67,298	67,298
Total Assets	\$92,245,391	\$8,034,440	\$5,610,303	\$105,890,134
Liabilities:				
Accounts Payable	\$486,062	\$27,822	\$162,852	\$676,736
Accrued Wages and Benefits Payable	6,810,428	0	599,779	7,410,207
Contracts Payable	0	709,416	0	709,416
Interfund Payable	0	0	74,671	74,671
Intergovernmental Payable	1,105,036	0	115,576	1,220,612
Matured Compensated Absences Payable	983,059	0	13,064	996,123
Total Liabilities	9,384,585	737,238	965,942	11,087,765
Deferred Inflows of Resources:				
Property Taxes	26,347,357	1,499,793	1,019,545	28,866,695
Payment in Lieu of Taxes	4,008,794	0	0	4,008,794
Unavailable Revenue	1,660,608	91,128	713,314	2,465,050
Total Deferred Inflows of Resources	32,016,759	1,590,921	1,732,859	35,340,539
Fund Balances:				
Nonspendable	0	0	146,298	146,298
Restricted	0	0	3,046,376	3,046,376
Committed	11,000	5,706,281	0	5,717,281
Assigned	458,064	0	0	458,064
Unassigned (Deficit)	50,374,983	0	(281,172)	50,093,811
Total Fund Balances	50,844,047	5,706,281	2,911,502	59,461,830
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$92,245,391	\$8,034,440	\$5,610,303	\$105,890,134

See accompanying notes to the basic financial statements

**Northwest Local School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2015**

Total Governmental Fund Balances		\$59,461,830
Amounts reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	3,668,199	
Depreciable Capital assets	80,096,043	
Accumulated depreciation	(50,679,362)	
Net capital assets		33,084,880
Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.		
Delinquent Property Taxes	1,791,262	
Intergovernmental	651,336	
Interest	22,452	
Total		2,465,050
The internal service fund is used by management to charge the costs of workers compensation claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
		402,499
In the statement of activities, interest is accrued on outstanding general obligation bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(75,077)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	7,876,069	
Deferred Inflows - Pension	(19,109,977)	
Net Pension Liability	(105,890,986)	
Total		(117,124,894)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(12,810,000)	
QZAB payable	(3,460,000)	
Tax-Exempt bonds payable	(1,230,000)	
COPS bonds payable	(5,895,000)	
Premium on debt issue	(345,954)	
Accretion on capital appreciation bonds	(542,196)	
Total		(24,283,150)
Compensated absences are not due and payable in the current period and therefore, are not reported in the funds.		
		(3,702,184)
Net Position of Governmental Activities		(\$49,771,046)

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, 2015

	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$44,492,357	\$2,473,793	\$1,682,543	\$48,648,693
Payment in Lieu of Taxes	3,881,320	0	0	3,881,320
Intergovernmental	37,282,132	585,545	12,480,280	50,347,957
Investment Earnings	217,749	4,366	9,385	231,500
Tuition and Fees	2,116,708	0	0	2,116,708
Extracurricular Activities	248,721	0	413,215	661,936
Rent	660,409	0	0	660,409
Gifts and Donations	0	100,000	155,556	255,556
Charges for Services	378,621	0	1,192,773	1,571,394
Miscellaneous	178,558	373,278	207,230	759,066
Total Revenues	89,456,575	3,536,982	16,140,982	109,134,539
Expenditures:				
Current:				
Instruction:				
Regular	38,817,852	1,522,864	496,759	40,837,475
Special	13,322,541	0	3,129,454	16,451,995
Vocational	87,187	0	9,662	96,849
Student Intervention Services	167,414	0	157,165	324,579
Support Services:				
Pupils	5,226,197	4,361	410,115	5,640,673
Instructional Staff	2,210,907	6,623	1,211,479	3,429,009
Board of Education	123,828	0	0	123,828
Administration	5,228,602	0	647,264	5,875,866
Fiscal	1,861,434	37,968	25,818	1,925,220
Business	421,010	0	0	421,010
Operation and Maintenance of Plant	6,224,767	823,260	39,280	7,087,307
Pupil Transportation	4,783,950	879,987	43,903	5,707,840
Central	1,323,387	22,302	0	1,345,689
Operation of Non-Instructional Services	164,026	11,487	7,662,184	7,837,697
Extracurricular Activities	1,328,708	0	460,350	1,789,058
Capital Outlay	0	1,453,009	872,825	2,325,834
Debt Service:				
Principal Retirement	0	675,000	1,215,000	1,890,000
Interest and Fiscal Charges	0	341,391	590,353	931,744
Capital Appreciation Bond Accretion	0	0	80,000	80,000
Total Expenditures	81,291,810	5,778,252	17,051,611	104,121,673
Excess of Revenues Over (Under) Expenditures	8,164,765	(2,241,270)	(910,629)	5,012,866
Other Financing Sources (Uses):				
Transfers In	0	0	60,000	60,000
Transfers Out	(60,000)	0	0	(60,000)
Total Other Financing Sources (Uses)	(60,000)	0	60,000	0
Net Change in Fund Balances	8,104,765	(2,241,270)	(850,629)	5,012,866
Fund Balances at Beginning of Year	42,739,282	7,947,551	3,762,131	54,448,964
Fund Balances at End of Year	\$50,844,047	\$5,706,281	\$2,911,502	\$59,461,830

See accompanying notes to the basic financial statements

Northwest Local School District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$5,012,866

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital assets additions	3,393,176	
Depreciation expense	<u>(1,415,844)</u>	
Excess of capital outlay expense over depreciation		1,977,332

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the governmental funds. Deferred inflows of resources changed by these amounts this fiscal year:

Delinquent property taxes	(507,014)	
Intergovernmental	(633,909)	
Interest	<u>10,900</u>	
Total		(1,130,023)

The internal service fund is used by management to charge the costs of workers compensation claims to individual funds. The net loss of the internal service fund is reported with governmental activities. (36,019)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current fiscal year, these amounts consist of:

Bond principal retirement	1,890,000	
Payment of accretion	<u>80,000</u>	
Total		1,970,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the statement of activities is the result of the following:

Decrease in accrued interest	18,471	
Amortization of bond premium	44,456	
Accretion on capital appreciation bonds	<u>(80,230)</u>	
Total		(17,303)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 6,880,251

Except for amounts reported as deferred inflows/outflows, changes in the net position liability are reported as pension expense in the statement of activities (4,580,202)

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

Decrease in compensated absences	<u>727,324</u>
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Change in Net Position of Governmental Activities \$10,804,226

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Property Taxes	\$45,342,504	\$44,455,401	\$44,455,357	(\$44)
Payment in Lieu of Taxes	3,710,151	3,881,351	3,881,320	(31)
Intergovernmental	35,987,547	37,028,433	37,308,823	280,390
Investment Earnings	130,087	195,087	176,372	(18,715)
Tuition and Fees	930,998	1,793,134	1,818,517	25,383
Extracurricular Activities	261,590	249,205	248,721	(484)
Rent	637,614	645,614	647,336	1,722
Gifts and Donations	10,000	0	0	0
Charges for Services	362,575	454,945	379,160	(75,785)
Miscellaneous	96,640	148,962	135,838	(13,124)
Total Revenues	87,469,706	88,852,132	89,051,444	199,312
Expenditures:				
Current				
Instruction:				
Regular	38,464,192	38,900,667	38,644,910	255,757
Special	12,961,354	13,841,807	13,671,118	170,689
Vocational	30,421	97,717	87,187	10,530
Student Intervention Services	416,861	201,924	142,890	59,034
Support Services:				
Pupils	5,396,208	5,278,591	5,265,003	13,588
Instructional Staff	2,119,375	2,168,017	2,087,671	80,346
Board of Education	115,535	147,854	125,641	22,213
Administration	5,030,261	5,096,098	4,960,431	135,667
Fiscal	1,173,833	1,924,649	1,891,361	33,288
Business	512,891	481,080	460,338	20,742
Operation and Maintenance of Plant	7,177,374	6,908,405	6,532,147	376,258
Pupil Transportation	4,934,979	5,173,411	5,133,126	40,285
Central	1,371,984	1,470,516	1,361,258	109,258
Operation of Non-Instructional Services	177,650	179,238	163,331	15,907
Extracurricular Activities	1,326,173	1,343,320	1,316,264	27,056
Total Expenditures	81,209,091	83,213,294	81,842,676	1,370,618
Excess of Revenues Over Expenditures	6,260,615	5,638,838	7,208,768	1,569,930
Other Financing Sources (Uses):				
Advances In	634,764	346,857	346,857	0
Advances Out	(447,400)	0	(40,800)	(40,800)
Transfers Out	(150,000)	(150,000)	(150,000)	0
Refund of Prior Year Expenditures	3,030	62,924	63,496	572
Total Other Financing Sources (Uses)	40,394	259,781	219,553	(40,228)
Net Change in Fund Balance	6,301,009	5,898,619	7,428,321	1,529,702
Fund Balance at Beginning of Year	32,292,384	32,292,384	32,292,384	0
Prior Year Encumbrances Appropriated	1,160,909	1,160,909	1,160,909	0
Fund Balance at End of Year	\$39,754,302	\$39,351,912	\$40,881,614	\$1,529,702

See accompanying notes to the basic financial statements

**Northwest Local School District
Statement of Fund Net Position
Internal Service Fund
June 30, 2015**

	<u>Workers' Compensation Fund</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$479,841
Liabilities:	
Current Liabilities:	
Claims Payable	<u>77,342</u>
Net Position:	
Unrestricted	<u><u>\$402,499</u></u>

See accompanying notes to the basic financial statements

**Northwest Local School District
Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2015**

	Workers' Compensation Fund
Operating Revenues:	
Charges for Services	\$252,275
Operating Expenses:	
Purchased Services	51,913
Materials and Supplies	14,000
Claims	104,807
Other	117,574
Total Operating Expenses	288,294
Operating Loss	(36,019)
Net Position at Beginning of Year	438,518
Net Position at End of Year	\$402,499

See accompanying notes to the basic financial statements

**Northwest Local School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2015**

	Workers' Compensation Fund
Increase in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Interfund Services Provided	\$252,275
Cash Payments to Suppliers for Goods and Services	(69,063)
Cash Payments for Claims	(55,730)
Cash Payments to Others	(117,574)
	\$9,908
<i>Net Increase in Cash and Cash Equivalents</i>	9,908
<i>Cash and Cash Equivalents at Beginning of Year</i>	469,933
<i>Cash and Cash Equivalents at End of Year</i>	\$479,841
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	(\$36,019)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Increase (Decrease) in Liabilities:	
Accounts Payable	(3,150)
Claims Payable	49,077
	45,927
Total Adjustments	45,927
<i>Net Cash Provided by Operating Activities</i>	\$9,908

See accompanying notes to the basic financial statements

Northwest Local School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2015

Assets:

Equity in Pooled Cash and Cash Equivalents	<u><u>\$100,076</u></u>
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Liabilities:

Due to Students	<u><u>\$100,076</u></u>
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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, 2015

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT

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

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

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

The School District currently has approximately 9,080 students enrolled in seven elementary schools, three middle schools, and two senior high schools. The School District has two career centers serving junior and senior students. There are 1,103 full time and 5 part-time employees to provide services to the students. The School District is the 2nd largest public school district in Hamilton County and the 21st largest of all school districts in Ohio.

Reporting Entity

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

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

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

The School District participates in three jointly governed organizations. These organizations are presented in note 16 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

Southwest Ohio Computer Association
Butler Technology and Career Development School
Southwest Ohio Organization of School Health

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The activity of the Internal Service Fund is eliminated to avoid "doubling up" revenues and expenses. The government-wide financial statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The Internal Service Fund is presented on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

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

Governmental Funds

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

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

Permanent Improvement – The Permanent Improvement is used to account for and report all transactions related to the acquisition, construction or improvement of the infrastructure of buildings and grounds through permanent improvements.

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

Proprietary Funds

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

Fiduciary Funds

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

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has deferred outflows of resources that are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and pension. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes, charges for service and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11)

Expenses/Expenditures

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

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

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

Cash and Cash Equivalents

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

During fiscal year 2015, the School District invested in money market mutual funds, commercial paper, the State Treasury Asset Reserve of Ohio (STAROhio), federal securities, negotiable certificates of deposit and treasury notes. Investments are reported at fair value, which is based on quoted market prices, except for mutual funds, which are based on current share price.

STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for on June 30, 2015.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2015 amounted to \$217,749, which includes \$37,859 assigned from other School District funds.

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

Interfund Balances

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

Inventory

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

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand five hundred dollars (\$2,500), and a useful life of five years or more. The School District does not possess any infrastructure. Improvements

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

Compensated Absences

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

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

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

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

Pension

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

Accrued Liabilities and Long-Term Obligations

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash.

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

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

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

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

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

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

Net Position

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

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

Internal Activity

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

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

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

Budgetary Process

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

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

Since the statement of revenues, expenditures and changes in fund balance presented in the basic financial statements for the General Fund presents budgetary comparisons at a greater level of detail than the legal

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

level of control established by the Board of Education, no additional schedules are necessary to demonstrate budgetary compliance.

Bond Premiums and Compounded Interest on Capital Appreciation Bonds

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

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

Operating Revenues and Expenses

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

Estimates

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net position June 30, 2014	\$58,849,671
Adjustments:	
Net Pension Liability	(125,794,360)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>6,369,417</u>
Restated Net Position June 30, 2014	<u><u>(\$60,575,272)</u></u>

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 4 – ACCOUNTABILITY

At June 30, 2015, the following funds had a deficit fund balance:

<u>Funds</u>	<u>Amounts</u>
Public School Preschool	\$16,210
IDEA-B Special Education	106,204
Title III	109
Title I	137,467
Title II-A	21,182

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. The change in fair value of investments is not included on the budget basis operating statement. This amount is included on the GAAP basis operating statement.
5. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).
6. Budgetary revenues and expenditures of the Uniform School Supplies Fund special revenue funds are classified to the General Fund for GAAP Reporting.

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

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Notes to the Basic Financial Statements
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Net Change in Fund Balance	
	General
GAAP Basis	\$8,104,765
Adjustments:	
Revenue Accruals	(55,248)
Expenditure Accruals	(155,044)
Encumbrances	(763,857)
Change in Fair Value of Investments - fiscal year 2015	40,949
Change in Fair Value of Investments - fiscal year 2014	(4,671)
Excess of revenues under expenditures for the Uniform School Supplies Fund	45,370
Advances	306,057
Transfers	(90,000)
Budget Basis	\$7,428,321

NOTE 6 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio; or Ohio Local Governments;

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Investments

As of June 30, 2015, the School District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Percent of Total Investments</u>
Money Market Mutual Fund	\$8,305,984	0.00	N/A
Commercial Paper Toyota Motor Credit	2,494,175	0.00	6%
Commercial Paper General Electric	2,495,625	0.00	6%
Commercial Paper JP Morgan	2,495,575	0.00	6%
Commercial Paper PNC Bank	2,494,175	0.00	6%
Commercial Paper Prudential	999,980	0.00	N/A
STAROhio	35,167	0.15	N/A
Federal Home Loan Bank Bonds	6,951,872	2.45	17%
Federal Home Loan Mortgage Corporation Bonds	4,717,886	2.86	12%
Federal National Mortgage Association Bonds	6,930,488	2.50	17%
Federal Farm Credit Bonds	938,581	3.73	N/A
Negotiable Certificate of Deposits	1,298,153	4.49	N/A
US Treasury Notes	790,371	0.34	N/A
	<u>\$40,948,032</u>		

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

Credit Risk – It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The School District's investments in Money Market Mutual Fund, Federal Home Loan Mortgage, Federal National Mortgage, Federal Home Loan Bank and Federal Farm Credit Bonds were rated AA+ by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investor's Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. The Toyota Motor Credit Commercial Paper is rated A1+/P1 by Standard and Poor's and Moody's. The Commercial Paper is rated A1/P1 by Standard and Poor's and Moody's.

Northwest Local School District
Notes to the Basic Financial Statements
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Concentration of Credit Risk – The School District’s investment policy places no limit on the amount it may invest in any one issuer.

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

NOTE 7 – PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Hamilton County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2015 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows - property taxes.

The amount available as an advance at June 30, 2015, was \$18,108,000 in the General Fund, \$1,001,000 in the Permanent Improvement Fund and \$681,000 in the Nonmajor Governmental Funds. The amount available as an advance at June 30, 2014, was \$18,071,000 in the General Fund, \$1,028,000 in the Permanent Improvement Fund and \$699,000 in the Nonmajor Governmental Funds.

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

The assessed values upon which the fiscal year 2015 taxes were collected are:

	2014 Second- Half Collections		2015 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,434,689,580	97.01%	\$1,384,139,410	96.69%
Public Utility Personal	44,188,630	2.99%	47,404,440	3.31%
Total Assessed Value	<u>\$1,478,878,210</u>	<u>100.00%</u>	<u>\$1,431,543,850</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$59.57		 \$59.57	

NOTE 8 – RECEIVABLES

Receivables at June 30, 2015, consisted of property taxes, payment in lieu of taxes, intergovernmental grants, accounts (rent and student fees), accrued interest 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 fiscal year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amounts</u>
Title I	\$371,231
Idea-B Special Education	361,920
Title II-A	59,790
Title I School Improvement Stimulus A	19,629
Public School Preschool	18,933
Early Childhood Special Education	19,520
Food Service	58,786
Miscellaneous	70
Title III	5,481
Vocational Education Enhancement	1,753
Total	<u>\$917,113</u>

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance at 6/30/2014	Additions	Deletions	Balance at 6/30/2015
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$3,668,199	\$0	\$0	\$3,668,199
Capital Assets Being Depreciated:				
Buildings and Improvements	62,685,085	1,926,908	0	64,611,993
Equipment	14,017,782	1,466,268	0	15,484,050
Total Capital Assets Being Depreciated	<u>76,702,867</u>	<u>3,393,176</u>	<u>0</u>	<u>80,096,043</u>
Total Capital Assets At Historical Cost	<u>80,371,066</u>	<u>3,393,176</u>	<u>0</u>	<u>83,764,242</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(37,606,378)	(901,242)	0	(38,507,620)
Equipment	(11,657,140)	(514,602)	0	(12,171,742)
Total Accumulated Depreciation	<u>(49,263,518)</u>	<u>(1,415,844)</u>	<u>0</u>	<u>(50,679,362)</u>
Total Capital Assets Being Depreciated, Net	<u>27,439,349</u>	<u>1,977,332</u>	<u>0</u>	<u>29,416,681</u>
Governmental Activities Capital Assets, Net	<u>\$31,107,548</u>	<u>\$1,977,332</u>	<u>\$0</u>	<u>\$33,084,880</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$983,623
Special	5,373
Vocational	213
Other	532
Support Services:	
Pupil	2,248
Instructional Staff	706
Business	2,070
Operations and Maintenance	48,841
Pupil Transportation	301,416
Central	6,549
Operation of Non-Instructional Services	47,604
Extracurricular Activities	16,669
Total Depreciation Expense	<u>\$1,415,844</u>

NOTE 10 – RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2015, the School District contracted with Ohio Casualty Insurance Company for property and Argonaut for general liability insurance.

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Professional liability is protected by Argonaut with \$3,000,000 each occurrence, \$3,000,000 aggregate limit. Vehicles are covered by Argonaut with \$250 deductible for comprehensive and \$500 deductible for collision.

Public official's bond insurance is provided by Cincinnati Insurance Company. The Treasurer is covered by a bond in the amount of \$20,000. The School District Plumber is covered by a bond in the amount of \$1,000.

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

Workers' Compensation

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

Incurred but not reported claims and premium of \$77,342 have been accrued as a liability at June 30, 2015, based on an estimate by Hunter Consulting. The claims liability report in the workers' compensation internal service fund at June 30, 2015, is based on the requirement of the Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

Changes in self-insurance workers' compensation claims liability for 2014 and 2015 were:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2014	\$29,172	\$80,327	\$81,234	\$28,265
2015	28,265	104,807	55,730	77,342

NOTE 11 – DEFINED BENEFITS PENSION PLANS

Net Pension Liability

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

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Northwest Local School District
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Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contributions to SERS were \$1,665,690 for fiscal year 2015. Of this amount \$109,913 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

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

Northwest Local School District
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The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$5,214,561 for the fiscal year 2015. Of this amount \$719,170 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$21,155,805	\$84,735,181	\$105,890,986
Proportion of the Net Pension Liability	0.41802100%	0.34836811%	
Pension Expense	\$1,270,262	\$3,309,940	\$4,580,202

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$180,058	\$815,760	\$995,818
School District contributions subsequent to the measurement date	<u>1,665,690</u>	<u>5,214,561</u>	<u>6,880,251</u>
Total Deferred Outflows of Resources	<u><u>\$1,845,748</u></u>	<u><u>\$6,030,321</u></u>	<u><u>\$7,876,069</u></u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$3,433,647</u>	<u>\$15,676,330</u>	<u>\$19,109,977</u>

\$6,880,251 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2016	(\$812,942)	(\$3,715,142)	(\$4,528,084)
2017	(812,942)	(3,715,142)	(4,528,084)
2018	(812,942)	(3,715,142)	(4,528,084)
2019	<u>(814,763)</u>	<u>(3,715,144)</u>	<u>(4,529,907)</u>
Total	<u><u>(\$3,253,589)</u></u>	<u><u>(\$14,860,570)</u></u>	<u><u>(\$18,114,159)</u></u>

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

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

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

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

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

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$30,183,046	\$21,155,805	\$13,563,114

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

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

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$121,307,649	\$84,735,181	\$53,807,179

NOTE 12 – POST EMPLOYMENT BENEFITS

School Employees Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the School District's surcharge obligation was \$223,868.

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$321,745, \$319,693, and \$301,212, respectively. For fiscal year 2015, 99.64 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

State Teachers Retirement System of Ohio

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS Ohio did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$355,308, and \$366,998, respectively. The full amount has been contributed for fiscal years 2014 and 2013.

**Northwest Local School District
Notes to the Basic Financial Statements
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NOTE 13 – EMPLOYEE BENEFITS

Compensated Absences

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

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

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

<u>VACATION</u>	<u>CERTIFIED</u>	<u>ADMINISTRATORS</u>	<u>NON-CERTIFIED</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-CERTIFIED</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/policy	Per contract/policy

Insurance

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

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The School District provides dental insurance to eligible employees through Dental Care Plus. The School District provides voluntary life and vision insurance at employee's expense. The School District provides life insurance and accidental death and dismemberment insurance to most employees through VOYA.

NOTE 14 - LONG-TERM LIABILITIES

The change in the School District's long-term obligations during fiscal year 2015 consists of the following:

	Maturity Date	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
Bonds Payable:						
2005 Refunding Bonds:						
Current Interest Bonds	12/1/2022	13,305,000	0	1,190,000	12,115,000	100,000
Capital Appreciation Bonds	12/1/2015	720,000	0	25,000	695,000	695,000
Accretion of Interest		541,966	80,230	80,000	542,196	542,196
2013 QZAB Bonds	12/1/2027	3,730,000	0	270,000	3,460,000	270,000
2013 Tax-Exempt Bonds	12/1/2027	1,310,000	0	80,000	1,230,000	85,000
2013 Certificates of Participation	12/1/2029	6,220,000	0	325,000	5,895,000	330,000
Premium on Bonds:						
2005 Refunding Bonds	12/1/2022	273,980	0	36,530	237,450	0
2013 Tax-Exempt Bonds	12/1/2027	27,522	0	2,064	25,458	0
2013 Certificates of Participation	12/1/2029	88,908	0	5,862	83,046	0
Total Bonds		<u>26,217,376</u>	<u>80,230</u>	<u>2,014,456</u>	<u>24,283,150</u>	<u>2,022,196</u>
Other Long-Term Obligations:						
Net Position Liability:						
SERS		24,858,367	0	3,702,562	21,155,805	0
STRS		100,935,993	0	16,200,812	84,735,181	0
Total Net Pension Liability		<u>125,794,360</u>	<u>0</u>	<u>19,903,374</u>	<u>105,890,986</u>	<u>0</u>
Compensated Absences		4,429,508	301,211	1,028,535	3,702,184	599,384
Total Governmental Activities Long-Term Liabilities		<u>\$156,441,244</u>	<u>\$381,441</u>	<u>\$22,946,365</u>	<u>\$133,876,320</u>	<u>\$2,621,580</u>

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

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

The School District defeased the 1998 School Improvement Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. On June 30, 2015, \$15,380,000 of the defeased bonds are still outstanding.

The capital appreciation bonds, issued at \$720,000, are not subject to prior redemption. The fiscal year 2015, accretion amount was \$80,230. The capital appreciation bonds will mature in fiscal year 2016. The final maturity amount of the bonds is \$1,275,000.

On October 29, 2012, the School District issued \$4,000,000 Energy Conservation Limited Tax General Obligation Bonds which are Qualified Zone Academy Bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34). The bonds are being issued for the purpose of financing the energy conservation measures. The bonds were issued at the rate of 3.75 percent, with a maturity at December 1, 2027, with the entire principal balance coming due at maturity. With respect to the payment of the principal amount of the QZAB bonds, the School District has covenanted to set aside amount required to maintain the required sinking fund balance, on December 1 of each year, commencing on December 1, 2013, into the sinking fund account, to be applied to the payment of the principal amount of the QZAB bonds at maturity along with the investment earnings within the sinking fund account. The School District is required to place \$270,000 annually through fiscal year 2018 and \$265,000 annually from fiscal year 2019 through fiscal year 2028. A sinking fund has been established with a \$540,000 deposit as of June 30, 2015.

On October 29, 2012, the School District issued \$1,390,000 Energy Conservation Limited Tax General Obligation Bonds which are Bank Qualified. The bonds are being issued for the purpose of financing the energy conservation measures. The bonds were issued at the rate of 2.00 percent, with a maturity at December 1, 2027. Payment of principal and interest relating to this liability is recorded as expenditures in the Permanent Improvement Fund.

On September 1, 2012, the School District issued \$6,500,000 Certificates of Participation to finance renovation of Colerain High School and Northwest High School to facilitate a Geophysics STEM program at each location. The COPs issuance included a premium of \$99,655, which will be amortized over the life of the COPs. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased from the PS&W Holding Company. The COPs were issued through a series of annual leases with an initial lease term of 18 years which includes the right to renew for 17 successive one-year terms through December 1, 2029 with termination date of December 1, 2029 subject to annual appropriations. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, annually. The base rent includes an interest component that begins at 2.00 percent. The School District has the option to purchase the renovations in whole or in part, on or after December 1, 2022 at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date fixed for redemption.

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Annual base rent requirements to retire the certificates of participation outstanding at June 30, 2015 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2016	\$330,000	\$157,891	\$487,891
2017	335,000	151,241	486,241
2018	345,000	144,441	489,441
2019	350,000	137,491	487,491
2020	355,000	129,554	484,554
2021-2025	1,935,000	483,906	2,418,906
2026-2030	2,245,000	173,256	2,418,256
Total	<u>\$5,895,000</u>	<u>\$1,377,780</u>	<u>\$7,272,780</u>

Compensated absences will be paid from the General, Food Services, Auxiliary Service, Idea-B Special Education, Title I School Improvement Stimulus A and Title I funds for governmental activities. The School District pays obligations relating to employee compensation from the fund benefitting their service. For additional information related to the net pension liability see note 11.

The School District's overall legal debt margin was \$107,420,809 with an unvoted debt margin of \$1,431,544 at June 30, 2015.

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

Fiscal Year Ending June 30	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$100,000	\$561,577	\$661,577	\$695,000	\$580,000	\$1,275,000
2017	1,405,000	529,370	1,934,370	0	0	0
2018	1,500,000	466,913	1,966,913	0	0	0
2019	1,590,000	392,925	1,982,925	0	0	0
2020	1,705,000	306,431	2,011,431	0	0	0
2021-2023	5,815,000	403,088	6,218,088	0	0	0
Total	<u>\$12,115,000</u>	<u>\$2,660,304</u>	<u>\$14,775,304</u>	<u>\$695,000</u>	<u>\$580,000</u>	<u>\$1,275,000</u>

Fiscal Year Ending June 30	QZAB Bonds		
	Principal	Interest	Total
2016	\$270,000	\$150,000	\$420,000
2017	270,000	150,000	420,000
2018	270,000	150,000	420,000
2019	265,000	150,000	415,000
2020	265,000	150,000	415,000
2021-2025	1,325,000	750,000	2,075,000
2026-2028	795,000	375,000	1,170,000
Total	<u>\$3,460,000</u>	<u>\$1,875,000</u>	<u>\$5,335,000</u>

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Fiscal Year Ending June 30	Tax-Exempt Bonds		
	Principal	Interest	Total
2016	\$85,000	\$25,300	\$110,300
2017	85,000	23,600	108,600
2018	85,000	21,900	106,900
2019	90,000	20,150	110,150
2020	90,000	18,350	108,350
2021-2025	485,000	63,300	548,300
2026-2028	310,000	11,750	321,750
Total	<u>\$1,230,000</u>	<u>\$184,350</u>	<u>\$1,414,350</u>

NOTE 15 – INTERFUND ACTIVITY

As of June 30, 2015, receivable and payables that resulted from various interfund transactions were as follows:

	Interfund	
	Receivable	Payable
General Fund	\$74,671	\$0
Nonmajor Governmental Funds	0	74,671
Total All Funds	<u>\$74,671</u>	<u>\$74,671</u>

Interfund balances at June 30, 2015, consisted of the above amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records and (3) payments between funds are made. All advances are expected to be paid within one year.

Transfers made during the fiscal year ended June 30, 2015, were as follows:

	Transfers	
	In	Out
General Fund	\$0	\$60,000
Nonmajor Governmental Funds	60,000	0
Total All Funds	<u>\$60,000</u>	<u>\$60,000</u>

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

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

Southwest Ohio Computer Association

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), a computer consortium. SWOCA is a jointly governed organization among a seven county consortium of 43 Ohio

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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 Board exercises total control over the operations of SWOCA including budgeting, appropriating, contracting and designating management. The Board consists of one representative from each of the participating 43 school districts. The School District paid SWOCA \$260,178 for services provided during the fiscal year. The financial statements for SWOCA are available at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

Butler Technology and Career Development School

The Butler Technology and Career Development School is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from 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 School District and its operations are not included as part of the reporting entity. The Board exercises total control over the operations of the Butler Technology and Career Development School including budgeting, appropriating, contracting and designating management. To obtain financial information, write to Butler Technology and Career Development at 3603 Hamilton-Middletown Rd., Hamilton, Ohio 45011.

Southwest Ohio Organization of School Health

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

NOTE 17 – SET-ASIDES

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

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

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

	Capital Acquisition
Set Aside Balance as of June 30, 2014	\$0
Current Year Set Aside Requirements	1,494,681
Qualified Disbursements	(617,366)
Current Year Offsets	(877,315)
Set Aside Balance as of June 30, 2015	\$0

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

NOTE 18 - DONOR-RESTRICTED ENDOWMENTS

The School District's Endowment includes donor-restricted endowments. The Net Position: Endowment amount of \$34,329 represents the expendable portion of the endowment. The \$79,000 represents the nonexpendable amount. State law permits the Board of Education to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise.

NOTE 19 - SIGNIFICANT COMMITMENTS

Contractual Commitments

The following table provides a summary of the outstanding contractual commitments as of June 30, 2015:

Contractor	Description	Amount Remaining
Datacom Specialists	Wireless Hardware	\$453,020
Trane	Air Handlers & Chillers	166,052
Roth Partnership Inc.	Architectural Design	158,958
Genesis Mechanical	Steam Pipe Replacement	64,720
Pac-Van, Inc.	Modular Unit Installation	50,270
Peck Hannaford & Briggs	Roof Compressor	10,752
Frank Builders	Driveway	9,029
Roger Schweitzer & Sons	Boiler	5,843
Central Insulation Systems	Asbestos Removal	4,031
Shelton Paving	Pavement Repairs	3,900
		\$926,575

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

Encumbrances

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

General Fund	\$763,857
Permanent Improvement	866,212
Nonmajor Governmental Funds	<u>295,947</u>
Total	<u><u>\$1,926,016</u></u>

NOTE 20 – FUND BALANCES

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

Fund Balances	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Endowment Reserve	\$0	\$0	\$79,000	\$79,000
Inventory Held for Resale	<u>0</u>	<u>0</u>	<u>67,298</u>	<u>67,298</u>
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>146,298</u>	<u>146,298</u>
<i>Restricted for</i>				
Capital Outlay	0	0	51,309	51,309
Debt Services	0	0	1,976,862	1,976,862
Food Service	0	0	312,701	312,701
Special Trust	0	0	337,584	337,584
Endowment	0	0	34,329	34,329
Career Consultants	0	0	6,682	6,682
Athletics	0	0	211,253	211,253
State Grant	0	0	114,486	114,486
Federal Grants	<u>0</u>	<u>0</u>	<u>1,170</u>	<u>1,170</u>
<i>Total Restricted</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,046,376</u>	<u>\$3,046,376</u>

(continued)

**Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015**

Fund Balances	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<i>Committed to</i>				
Underground Storage	\$11,000	\$0	\$0	\$11,000
Capital Projects	0	5,706,281	0	5,706,281
<i>Total Committed</i>	11,000	5,706,281	0	5,717,281
<i>Assigned to</i>				
Purchases on Order:				
Technical Services and Supplies	72,322	0	0	72,322
Property Services and Supplies	136,307	0	0	136,307
Professional Development	82,014	0	0	82,014
Transportation	14,718	0	0	14,718
Classroom Supplies and Textbooks	152,703	0	0	152,703
<i>Total Assigned</i>	458,064	0	0	458,064
<i>Unassigned (Deficit)</i>	50,374,983	0	(281,172)	50,093,811
<i>Total Fund Balances</i>	\$50,844,047	\$5,706,281	\$2,911,502	\$59,461,830

NOTE 21 – CONTINGENT LIABILITIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2015, if applicable, cannot be determined at this time.

School Foundation

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

Northwest Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Litigation

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

NOTE 22 – SUBSEQUENT EVENTS

In September 2015, the School District took advantage of low interest rates to refinance the 1997 & 1998 bonds originally issued to finance the construction of Monfort Heights Elementary School. The original average interest rate for the 1997 & 1998 bonds was 5.17%. The 2005 refunding bonds average interest rate was 4.33%. The 2015 refunding bonds average interest rate is 1.96%.

The 2005 refunding bonds produced savings of \$937,066 over the life of the refunding bonds. The 2015 refunding bonds produced savings of \$962,008 over the life of the refunding bonds. Combined the savings between these two refunding's is \$1,899,074.

The bonds have just over 7 years remaining to be paid off. The refunding bonds have the same final maturity (December 1, 2022) as the 2005 refunded bonds.

On November 3, 2015, the School District passed a new Bond Issue/Operating Levy for \$76 million towards an \$86 million building project. The School District intends to use \$10 million from the General Fund towards the project.

Northwest Local School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Two Fiscal Years (1)

	2014	2013
School District's Proportion of the Net Pension Liability	0.41802100%	0.41802100%
School District's Proportionate Share of the Net Pension Liability	\$21,155,805	\$24,858,367
School District's Covered-Employee Payroll	\$12,404,292	\$11,413,588
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	170.55%	217.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

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

Northwest Local School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Two Fiscal Years (1)

	2014	2013
School District's Proportion of the Net Pension Liability	0.34836811%	0.34836811%
School District's Proportionate Share of the Net Pension Liability	\$84,735,181	\$100,935,993
School District's Covered-Employee Payroll	\$35,770,629	\$36,699,831
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	236.88%	275.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) Information prior to 2013 is not available.

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

Northwest Local School District
 Required Supplementary Information
 Schedule of School District Contributions
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$1,665,690	\$1,719,235	\$1,579,641	\$2,057,762
Contributions in Relation to the Contractually Required Contribution	<u>(1,665,690)</u>	<u>(1,719,235)</u>	<u>(1,579,641)</u>	<u>(2,057,762)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$12,638,014	\$12,404,292	\$11,413,588	\$15,299,346
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.86%	13.84%	13.45%

2011	2010	2009	2008	2007	2006
\$2,039,511	\$1,858,629	\$1,824,394	\$1,799,581	\$1,694,772	\$1,683,730
(2,039,511)	(1,858,629)	(1,824,394)	(1,799,581)	(1,694,772)	(1,683,730)
\$0	\$0	\$0	\$0	\$0	\$0
\$16,225,224	\$13,726,948	\$18,540,594	\$18,325,677	\$15,868,652	\$15,914,272
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

Northwest Local School District
 Required Supplementary Information
 Schedule of School District Contributions
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$5,214,561	\$4,650,182	\$4,770,978	\$5,446,835
Contributions in Relation to the Contractually Required Contribution	<u>(5,214,561)</u>	<u>(4,650,182)</u>	<u>(4,770,978)</u>	<u>(5,446,835)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$37,246,864	\$35,770,629	\$36,699,831	\$41,898,731
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.00%	13.00%	13.00%

2011	2010	2009	2008	2007	2006
\$5,678,263	\$5,757,480	\$5,679,492	\$5,801,556	\$5,810,000	\$5,626,229
(5,678,263)	(5,757,480)	(5,679,492)	(5,801,556)	(5,810,000)	(5,626,229)
\$0	\$0	\$0	\$0	\$0	\$0
\$43,678,946	\$44,288,308	\$43,688,400	\$44,627,354	\$44,692,308	\$43,278,685
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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Northwest Local School District

Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

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

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

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

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

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

Public School Preschool Fund – This fund accounts for and reports assistance from the State restricted to paying the cost of a pre-school program for three and four year old students.

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

Northwest Local School District

Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds (continued)

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

Entry Year Teacher Grant Fund – This fund accounts for and reports restricted State monies which support implementing entry year programs pursuant to division (T) of Section 3317.024 of the Ohio Revised Code.

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

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

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

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

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

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

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

Northwest Local School District

Nonmajor Fund Descriptions

Nonmajor Special Revenue Funds (continued)

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

Underground Storage Tank Fund – This fund accounts for and reports local funds which are provided in the event of an underground storage tank leak. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source. This fund had no activity during fiscal year 2015. Therefore, no budgetary statement is presented.

Debt Service Fund

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

Nonmajor Debt Service Fund

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

Permanent Fund

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

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

Northwest Local School District

Nonmajor Fund Descriptions

Capital Projects Fund

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

Nonmajor Capital Projects Fund

Building Fund – This fund accounts for and reports the receipts and expenditures related to all special bond funds in the School District. Expenditures recorded here represent the costs of updating School District buildings.

Internal Service Fund

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

Nonmajor Internal Service Fund

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

Northwest Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$1,394,033	\$1,295,862	\$113,329	\$51,309	\$2,854,533
Receivables:					
Property Taxes	0	1,762,523	0	0	1,762,523
Intergovernmental	917,043	0	0	0	917,043
Accounts	8,906	0	0	0	8,906
Inventory Held for Resale	67,298	0	0	0	67,298
Total Assets	<u>\$2,387,280</u>	<u>\$3,058,385</u>	<u>\$113,329</u>	<u>\$51,309</u>	<u>\$5,610,303</u>
Liabilities:					
Accounts Payable	\$162,852	\$0	\$0	\$0	\$162,852
Accrued Wages and Benefits Payable	599,779	0	0	0	599,779
Interfund Payable	74,671	0	0	0	74,671
Intergovernmental Payable	115,576	0	0	0	115,576
Matured Compensated Absences Payable	13,064	0	0	0	13,064
Total Liabilities	<u>965,942</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>965,942</u>
Deferred Inflows of Resources:					
Property Taxes	0	1,019,545	0	0	1,019,545
Unavailable Revenue	651,336	61,978	0	0	713,314
Total Deferred Inflows of Resources	<u>651,336</u>	<u>1,081,523</u>	<u>0</u>	<u>0</u>	<u>1,732,859</u>
Fund Balances:					
Nonspendable	67,298	0	79,000	0	146,298
Restricted	983,876	1,976,862	34,329	51,309	3,046,376
Unassigned (Deficit)	<u>(281,172)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(281,172)</u>
Total Fund Balances	<u>770,002</u>	<u>1,976,862</u>	<u>113,329</u>	<u>51,309</u>	<u>2,911,502</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$2,387,280</u>	<u>\$3,058,385</u>	<u>\$113,329</u>	<u>\$51,309</u>	<u>\$5,610,303</u>

Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Food Services Fund	Special Trust Fund	Career Consultant Grant Fund	Athletic Fund	Auxiliary Service Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$545,970	\$336,638	\$6,682	\$223,466	\$230,623
Receivables:					
Intergovernmental	58,786	0	0	0	0
Accounts	2,542	5,656	0	708	0
Inventory Held for Resale	67,298	0	0	0	0
Total Assets	<u>\$674,596</u>	<u>\$342,294</u>	<u>\$6,682</u>	<u>\$224,174</u>	<u>\$230,623</u>
Liabilities:					
Accounts Payable	\$2,612	\$4,710	\$0	\$12,671	\$117,218
Accrued Wages and Benefits Payable	225,709	0	0	0	5,353
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	53,212	0	0	250	1,267
Matured Compensated Absences Payable	13,064	0	0	0	0
Total Liabilities	<u>294,597</u>	<u>4,710</u>	<u>0</u>	<u>12,921</u>	<u>123,838</u>
Deferred Inflows of Resources:					
Unavailable Revenue	0	0	0	0	0
Fund Balances:					
Nonspendable	67,298	0	0	0	0
Restricted	312,701	337,584	6,682	211,253	106,785
Unassigned (Deficit)	0	0	0	0	0
Total Fund Balances (Deficit)	<u>379,999</u>	<u>337,584</u>	<u>6,682</u>	<u>211,253</u>	<u>106,785</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$674,596</u>	<u>\$342,294</u>	<u>\$6,682</u>	<u>\$224,174</u>	<u>\$230,623</u>

Public School Preschool Fund	SchoolNet Professional Development Fund	Vocational Education Enhancement Fund	IDEA-B Special Education Fund	Title I School Improvement Stimulus A Fund	Title III Fund
\$771	\$7,701	\$0	\$127	\$0	\$0
18,933	0	1,753	361,920	19,629	5,481
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$19,704</u>	<u>\$7,701</u>	<u>\$1,753</u>	<u>\$362,047</u>	<u>\$19,629</u>	<u>\$5,481</u>
\$0	\$0	\$0	\$6,826	\$0	\$110
24,072	0	0	146,427	2,520	0
0	0	1,539	31,293	3,344	904
3,897	0	0	28,533	0	0
0	0	0	0	0	0
<u>27,969</u>	<u>0</u>	<u>1,539</u>	<u>213,079</u>	<u>5,864</u>	<u>1,014</u>
7,945	0	214	255,172	13,609	4,576
0	0	0	0	0	0
0	7,701	0	0	156	0
(16,210)	0	0	(106,204)	0	(109)
<u>(16,210)</u>	<u>7,701</u>	<u>0</u>	<u>(106,204)</u>	<u>156</u>	<u>(109)</u>
<u>\$19,704</u>	<u>\$7,701</u>	<u>\$1,753</u>	<u>\$362,047</u>	<u>\$19,629</u>	<u>\$5,481</u>

(continued)

Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds *(continued)*
June 30, 2015

	Title I Fund	Early Childhood Special Education Fund	Title II-A Fund	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$42,054	\$1	\$0	\$1,394,033
Receivables:				
Intergovernmental	371,231	19,520	59,790	\$917,043
Accounts	0	0	0	\$8,906
Inventory Held for Resale	0	0	0	\$67,298
Total Assets	\$413,285	\$19,521	\$59,790	\$2,387,280
Liabilities:				
Accounts Payable	\$17,046	\$1,659	\$0	\$162,852
Accrued Wages and Benefits Payable	159,062	0	36,636	599,779
Interfund Payable	35,117	2,023	451	74,671
Intergovernmental Payable	22,463	479	5,475	115,576
Matured Compensated Absences Payable	0	0	0	13,064
Total Liabilities	233,688	4,161	42,562	965,942
Deferred Inflows of Resources:				
Unavailable Revenue	317,064	14,346	38,410	651,336
Fund Balances:				
Nonspendable	0	0	0	67,298
Restricted	0	1,014	0	983,876
Unassigned (Deficit)	(137,467)	0	(21,182)	(281,172)
Total Fund Balances (Deficit)	(137,467)	1,014	(21,182)	770,002
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$413,285	\$19,521	\$59,790	\$2,387,280

Northwest Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$0	\$1,682,543	\$0	\$0	\$1,682,543
Intergovernmental	12,230,160	250,120	0	0	12,480,280
Investment Earnings	1,879	0	2,127	5,379	9,385
Extracurricular Activities	413,215	0	0	0	413,215
Gifts and Donations	125,756	0	29,800	0	155,556
Charges for Services	1,192,773	0	0	0	1,192,773
Miscellaneous	76,613	0	0	130,617	207,230
Total Revenues	<u>14,040,396</u>	<u>1,932,663</u>	<u>31,927</u>	<u>135,996</u>	<u>16,140,982</u>
Expenditures:					
Current					
Instruction:					
Regular	469,424	0	0	27,335	496,759
Special	3,129,454	0	0	0	3,129,454
Vocational	9,662	0	0	0	9,662
Student Intervention Services	157,165	0	0	0	157,165
Support Services:					
Pupils	410,115	0	0	0	410,115
Instructional Staff	1,211,479	0	0	0	1,211,479
Administration	647,264	0	0	0	647,264
Fiscal	0	25,818	0	0	25,818
Operation and Maintenance of Plant	39,280	0	0	0	39,280
Pupil Transportation	43,903	0	0	0	43,903
Operation of Non-Instructional Services	7,662,184	0	0	0	7,662,184
Extracurricular Activities	456,251	0	4,099	0	460,350
Capital Outlay	0	0	0	872,825	872,825
Debt Service					
Principal	0	1,215,000	0	0	1,215,000
Interest	0	590,353	0	0	590,353
Capital Appreciation Bond Accretion	0	80,000	0	0	80,000
Total Expenditures	<u>14,236,181</u>	<u>1,911,171</u>	<u>4,099</u>	<u>900,160</u>	<u>17,051,611</u>
Excess of Revenues Over (Under) Expenditures	(195,785)	21,492	27,828	(764,164)	(910,629)
Other Financing Sources:					
Transfers In	60,000	0	0	0	60,000
Net Change in Fund Balances	(135,785)	21,492	27,828	(764,164)	(850,629)
Fund Balances at Beginning of Year	<u>905,787</u>	<u>1,955,370</u>	<u>85,501</u>	<u>815,473</u>	<u>3,762,131</u>
Fund Balances at End of Year	<u>\$770,002</u>	<u>\$1,976,862</u>	<u>\$113,329</u>	<u>\$51,309</u>	<u>\$2,911,502</u>

Northwest Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015

	Food Services Fund	Special Trust Fund	Career Consultant Grant Fund	Athletic Fund	Auxiliary Service Fund	Public School Preschool Fund
Revenues:						
Intergovernmental	\$2,746,661	\$0	\$0	\$0	\$2,838,092	\$131,917
Investment Earnings	1,879	0	0	0	0	0
Extracurricular Activities	0	0	0	413,215	0	0
Gifts and Donations	0	91,947	10,685	23,124	0	0
Charges for Service	1,192,773	0	0	0	0	0
Miscellaneous	17,759	56,373	0	2,481	0	0
Total Revenues	<u>3,959,072</u>	<u>148,320</u>	<u>10,685</u>	<u>438,820</u>	<u>2,838,092</u>	<u>131,917</u>
Expenditures:						
Current						
Instruction:						
Regular	0	81,558	0	0	0	0
Special	0	0	0	0	0	144,829
Vocational	0	0	9,662	0	0	0
Student Intervention Services	0	0	694	0	0	0
Support Services:						
Pupils	0	3,075	593	0	0	0
Instructional Staff	0	0	583	0	0	0
Administration	0	792	0	0	0	0
Operation and Maintenance of Plant	39,280	0	0	0	0	0
Pupil Transportation	0	0	0	36,111	0	0
Operation of Non-Instructional Services	3,662,981	93,063	0	0	3,029,123	0
Extracurricular Activities	0	0	0	456,251	0	0
Capital Outlay	0	0	0	0	0	0
Total Expenditures	<u>3,702,261</u>	<u>178,488</u>	<u>11,532</u>	<u>492,362</u>	<u>3,029,123</u>	<u>144,829</u>
Excess of Revenues Over (Under) Expenditures	256,811	(30,168)	(847)	(53,542)	(191,031)	(12,912)
Other Financing Sources:						
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	256,811	(30,168)	(847)	6,458	(191,031)	(12,912)
Fund Balances (Deficit) at Beginning of Year	<u>123,188</u>	<u>367,752</u>	<u>7,529</u>	<u>204,795</u>	<u>297,816</u>	<u>(3,298)</u>
Fund Balances (Deficit) at End of Year	<u>\$379,999</u>	<u>\$337,584</u>	<u>\$6,682</u>	<u>\$211,253</u>	<u>\$106,785</u>	<u>(\$16,210)</u>

SchoolNet Professional Development Fund	Vocational Education Enhancement Fund	Entry Year Teacher Grant Fund	Race to the Top Fund	IDEA-B Special Education Fund	Title I School Improvement Stimulus A Fund	Title III Fund
\$21,600	\$2,787	\$77,107	\$196,314	\$2,420,358	\$170,150	\$60,356
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
21,600	2,787	77,107	196,314	2,420,358	170,150	60,356
39,710	0	68,107	39,619	0	0	0
0	504	0	0	704,515	158,957	55,004
0	0	0	0	0	0	0
0	0	0	0	156,471	0	0
0	0	0	58,054	328,957	0	0
0	2,289	9,000	92,419	37,501	12,884	5,428
0	0	0	0	557,253	0	0
0	0	0	0	0	0	0
0	0	0	0	7,792	0	0
0	0	0	0	695,796	0	33
0	0	0	0	0	0	0
0	0	0	0	0	0	0
39,710	2,793	77,107	190,092	2,488,285	171,841	60,465
(18,110)	(6)	0	6,222	(67,927)	(1,691)	(109)
0	0	0	0	0	0	0
(18,110)	(6)	0	6,222	(67,927)	(1,691)	(109)
25,811	6	0	(6,222)	(38,277)	1,847	0
\$7,701	\$0	\$0	\$0	(\$106,204)	\$156	(\$109)

(continued)

Northwest Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015

	Title I Fund	Early Childhood Special Education Fund	Title II-A Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Intergovernmental	\$3,300,872	\$32,192	\$231,754	\$12,230,160
Investment Earnings	0	0	0	1,879
Extracurricular Activities	0	0	0	413,215
Gifts and Donations	0	0	0	125,756
Charges for Service	0	0	0	1,192,773
Miscellaneous	0	0	0	76,613
Total Revenues	<u>3,300,872</u>	<u>32,192</u>	<u>231,754</u>	<u>14,040,396</u>
Expenditures:				
Current				
Instruction:				
Regular	591	0	239,839	469,424
Special	2,056,811	8,834	0	3,129,454
Vocational	0	0	0	9,662
Student Intervention Services	0	0	0	157,165
Support Services:				
Pupils	0	19,436	0	410,115
Instructional Staff	1,047,828	3,207	340	1,211,479
Administration	89,219	0	0	647,264
Operation and Maintenance of Plant	0	0	0	39,280
Pupil Transportation	0	0	0	43,903
Operation of Non-Instructional Services	181,024	0	164	7,662,184
Extracurricular Activities	0	0	0	456,251
Total Expenditures	<u>3,375,473</u>	<u>31,477</u>	<u>240,343</u>	<u>14,236,181</u>
Excess of Revenues Over (Under) Expenditures	(74,601)	715	(8,589)	(195,785)
Other Financing Sources:				
Transfers In	0	0	0	60,000
Net Change in Fund Balances	(74,601)	715	(8,589)	(135,785)
Fund Balances (Deficit) at Beginning of Year	<u>(62,866)</u>	<u>299</u>	<u>(12,593)</u>	<u>905,787</u>
Fund Balances (Deficit) at End of Year	<u>(\$137,467)</u>	<u>\$1,014</u>	<u>(\$21,182)</u>	<u>\$770,002</u>

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Northwest Local School District

Agency Fund Description

Agency Fund

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

Northwest Local School District
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2015

	Balance at June 30, 2014	Additions	Deductions	Balance at June 30, 2015
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$112,614	\$159,635	\$172,173	\$100,076
Liabilities:				
Due to Students	\$112,614	\$159,635	\$172,173	\$100,076

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Permanent Improvement Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$2,500,793	\$2,500,793	\$0
Intergovernmental	516,020	585,545	69,525
Interest	0	4,366	4,366
Miscellaneous	0	100,000	100,000
Total Revenues	<u>3,016,813</u>	<u>3,190,704</u>	<u>173,891</u>
Expenditures:			
Current			
Instruction:			
Regular	1,344,770	1,474,765	(129,995)
Support Services:			
Pupils	4,378	4,378	0
Instructional Staff	6,624	6,624	0
Fiscal	37,970	37,970	0
Operation and Maintenance of Plant	920,709	920,709	0
Pupil Transportation	879,988	879,988	0
Central	22,305	22,305	0
Operation of Non-Instructional Services			
Food Service Operations	11,586	11,586	0
Capital Outlay	1,481,867	1,822,853	(340,986)
Debt Service			
Principal Retirement	675,000	675,000	0
Interest and Fiscal Charges	341,391	341,391	0
Total Expenditures	<u>5,726,588</u>	<u>6,197,569</u>	<u>(470,981)</u>
Excess of Revenues Under Expenditures	<u>(2,709,775)</u>	<u>(3,006,865)</u>	<u>(297,090)</u>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	32,277	503,895	471,618
Refund of Prior Year Receipts	0	(50,001)	(50,001)
Total Other Financing Sources (Uses)	<u>32,277</u>	<u>453,894</u>	<u>421,617</u>
Net Change in Fund Balance	(2,677,498)	(2,552,971)	124,527
Fund Balance at Beginning of Year	5,646,635	5,646,635	0
Prior Year Encumbrances Appropriated	1,482,659	1,482,659	0
Fund Balance at End of Year	<u>\$4,451,796</u>	<u>\$4,576,323</u>	<u>\$124,527</u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Food Service Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$945	\$1,879	\$934
Intergovernmental	2,248,831	2,451,354	202,523
Charges for Services	1,334,811	1,192,286	(142,525)
Miscellaneous	11,995	17,759	5,764
Total Revenues	<u>3,596,582</u>	<u>3,663,278</u>	<u>66,696</u>
Expenditures:			
Current			
Support Services:			
Operation and Maintenance of Plant	49,714	47,851	1,863
Operation of Non-Instructional Services	3,452,068	3,449,853	2,215
Total Expenditures	<u>3,501,782</u>	<u>3,497,704</u>	<u>4,078</u>
Net Change in Fund Balance	94,800	165,574	70,774
Fund Balance at Beginning of Year	225,854	225,854	0
Prior Year Encumbrances Appropriated	<u>132,202</u>	<u>132,202</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$452,856</u></u>	<u><u>\$523,630</u></u>	<u><u>\$70,774</u></u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Special Trust Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Gifts and Donations	\$135,846	\$88,509	(\$47,337)
Miscellaneous	56,404	56,373	(31)
Total Revenues	<u>192,250</u>	<u>144,882</u>	<u>(47,368)</u>
Expenditures:			
Current			
Instruction:			
Regular	59,140	80,454	(21,314)
Support Services:			
Pupils	3,079	3,079	0
Administration	5,000	5,000	0
Operation of Non-Instructional Services	98,351	98,351	0
Total Expenditures	<u>165,570</u>	<u>186,884</u>	<u>(21,314)</u>
Net Change in Fund Balance	26,680	(42,002)	(68,682)
Fund Balance at Beginning of Year	362,681	362,681	0
Prior Year Encumbrances Appropriated	9,622	9,622	0
Fund Balance at End of Year	<u>\$398,983</u>	<u>\$330,301</u>	<u>(\$68,682)</u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Career Consultant Grant Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Gifts and Donations	\$10,685	\$10,685	\$0
Expenditures:			
Current			
Instruction:			
Vocational	10,236	10,181	55
Other	694	694	0
Support Services:			
Pupils	593	593	0
Instructional Staff	583	583	0
Total Expenditures	12,106	12,051	55
Net Change in Fund Balance	(1,421)	(1,366)	55
Fund Balance at Beginning of Year	6,860	6,860	0
Prior Year Encumbrances Appropriated	1,188	1,188	0
Fund Balance at End of Year	\$6,627	\$6,682	\$55

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Athletic Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular Activities	\$412,973	\$413,037	\$64
Gifts and Donations	23,124	23,124	0
Miscellaneous	8,641	8,641	0
Total Revenues	<u>444,738</u>	<u>444,802</u>	<u>64</u>
Expenditures:			
Current:			
Support Services:			
Pupil Transportation	117,894	59,421	58,473
Extracurricular Activities	523,167	515,247	7,920
Total Expenditures	<u>641,061</u>	<u>574,668</u>	<u>66,393</u>
Excess of Revenues Under Expenditures	<u>(196,323)</u>	<u>(129,866)</u>	<u>66,457</u>
Other Financing Sources (Uses):			
Transfers In	79,110	60,000	(19,110)
Refund of Prior Year Receipts	(3,688)	(3,688)	0
Total Other Financing Sources (Uses)	<u>75,422</u>	<u>56,312</u>	<u>(19,110)</u>
Net Change in Fund Balance	(120,901)	(73,554)	47,347
Fund Balance at Beginning of Year	188,274	188,274	0
Prior Year Encumbrances Appropriated	<u>52,261</u>	<u>52,261</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$119,634</u></u>	<u><u>\$166,981</u></u>	<u><u>\$47,347</u></u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Auxiliary Service Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$2,878,251	\$2,838,254	(\$39,997)
Investment Earnings	462	0	(462)
Total Revenues	<u>2,878,713</u>	<u>2,838,254</u>	<u>(40,459)</u>
Expenditures:			
Current			
Operation of Non-Instructional Services	<u>3,230,067</u>	<u>3,127,682</u>	<u>102,385</u>
Net Change in Fund Balance	(351,354)	(289,428)	61,926
Fund Balance at Beginning of Year	239,376	239,376	0
Prior Year Encumbrances Appropriated	<u>120,981</u>	<u>120,981</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$9,003</u></u>	<u><u>\$70,929</u></u>	<u><u>\$61,926</u></u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Public School Preschool Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$165,074	\$146,141	(\$18,933)
Expenditures:			
Current			
Instruction:			
Special	150,207	145,095	5,112
Excess of Revenues Over Expenditures	14,867	1,046	(13,821)
Other Financing Uses:			
Advances Out	(275)	(275)	0
Net Change in Fund Balance	14,592	771	(13,821)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$14,592</u>	<u>\$771</u>	<u>(\$13,821)</u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$21,600	\$21,600	\$0
Expenditures:			
Current			
Instruction:			
Regular	39,710	39,710	0
Net Change in Fund Balance	(18,110)	(18,110)	0
Fund Balance at Beginning of Year	25,811	25,811	0
Fund Balance at End of Year	<u>\$7,701</u>	<u>\$7,701</u>	<u>\$0</u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Vocational Education Enhancement Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$4,294	\$1,294	(\$3,000)
Expenditures:			
Current			
Instruction:			
Special	2,178	2,174	4
Support Services:			
Instructional Staff	2,540	2,329	211
Total Expenditures	4,718	4,503	215
Excess of Revenues Under Expenditures	(424)	(3,209)	(2,785)
Other Financing Sources:			
Advances In	0	1,539	1,539
Net Change in Fund Balance	(424)	(1,670)	(1,246)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	1,670	1,670	0
Fund Balance at End of Year	\$1,246	\$0	(\$1,246)

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2015

	Entry Year Teacher Grant Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$77,107	\$77,107
Expenditures:			
Current			
Instruction:			
Regular	0	68,107	(68,107)
Support Services			
Instructional Staff	0	9,000	(9,000)
Total Expenditures	0	77,107	(77,107)
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Fiscal Year Ended June 30, 2015

	Race to the Top Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$211,911	\$211,911	\$0
Expenditures:			
Current			
Instruction:			
Regular	39,619	39,619	0
Support Services:			
Pupils	58,054	58,054	0
Instructional Staff	102,572	102,572	0
Total Expenditures	200,245	200,245	0
Excess of Revenues Over Expenditures	11,666	11,666	0
Other Financing Uses:			
Advances Out	(13,368)	(13,368)	0
Net Change in Fund Balance	(1,702)	(1,702)	0
Fund Balance at Beginning of Year	2	2	0
Prior Year Encumbrances Appropriated	1,700	1,700	0
Fund Balance at End of Year	\$0	\$0	\$0

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	IDEA-B Special Education Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$2,733,259	\$2,734,466	\$1,207
Expenditures:			
Current			
Instruction:			
Special	627,894	664,664	(36,770)
Student Intervention Services	148,570	148,570	0
Support Services:			
Pupils	329,270	329,270	0
Instructional Staff	41,473	41,473	0
Administration	566,556	566,556	0
Pupil Transportation	14,953	14,953	0
Operation of Non-Instructional Services	717,178	717,178	0
Total Expenditures	2,445,894	2,482,664	(36,770)
Excess of Revenues Over Expenditures	287,365	251,802	(35,563)
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	0	(1,201)	(1,201)
Advances In	0	31,293	31,293
Advances Out	(309,091)	(309,091)	0
Total Other Financing Sources (Uses)	(309,091)	(278,999)	30,092
Net Change in Fund Balance	(21,726)	(27,197)	(5,471)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	18,683	18,683	0
Fund Balance (Deficit) at End of Year	(\$3,043)	(\$8,514)	(\$5,471)

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Title I School Improvement Stimulus A Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$179,128	\$180,126	\$998
Expenditures:			
Current			
Instruction:			
Special	159,262	158,457	805
Support Services:			
Instructional Staff	19,164	16,804	2,360
Total Expenditures	178,426	175,261	3,165
Excess of Revenues Over Expenditures	702	4,865	4,163
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	0	(500)	(500)
Advances In	0	3,344	3,344
Advances Out	(8,856)	(8,856)	0
Total Other Financing Sources (Uses)	(8,856)	(6,012)	2,844
Net Change in Fund Balance	(8,154)	(1,147)	7,007
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	1,147	1,147	0
Fund Balance (Deficit) at End of Year	(\$7,007)	\$0	\$7,007

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Title III Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$61,568	\$61,568	\$0
Expenditures:			
Current			
Instruction:			
Special	54,551	54,551	0
Support Services:			
Instructional Staff	6,488	5,881	607
Operation of Non-Instructional Services	177	33	144
Total Expenditures	61,216	60,465	751
Excess of Revenues Over Expenditures	352	1,103	751
Other Financing Sources (Uses):			
Advances In	0	904	904
Advances Out	(2,117)	(2,117)	0
Total Other Financing Sources (Uses)	(2,117)	(1,213)	904
Net Change in Fund Balance	(1,765)	(110)	1,655
Fund Balance at Beginning of Year	0	0	0
Fund Balance (Deficit) at End of Year	(\$1,765)	(\$110)	\$1,655

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Title I Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$3,333,862	\$3,334,943	\$1,081
Expenditures:			
Current:			
Instruction:			
Regular	4,313	4,313	0
Special	2,031,050	2,031,050	0
Support Services:			
Instructional Staff	1,045,473	1,035,576	9,897
Administration	80,488	80,488	0
Operation of Non-Instructional Services	184,024	179,553	4,471
Total Expenditures	3,345,348	3,330,980	14,368
Excess of Revenues Over (Under) Expenditures	(11,486)	3,963	15,449
Other Financing Sources (Uses):			
Advances In	0	1,245	1,245
Advances Out	0	(1,075)	(1,075)
Total Other Financing Sources (Uses)	0	170	170
Net Change in Fund Balance	(11,486)	4,133	15,619
Fund Balance at Beginning of Year	6,795	6,795	0
Prior Year Encumbrances Appropriated	20,896	20,896	0
Fund Balance at End of Year	\$16,205	\$31,824	\$15,619

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Early Childhood Special Education Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$34,030	\$34,048	\$18
Expenditures:			
Current			
Instruction:			
Special	10,529	9,108	1,421
Support Services:			
Pupils	21,386	20,511	875
Instructional Staff	4,107	3,495	612
Total Expenditures	<u>36,022</u>	<u>33,114</u>	<u>2,908</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,992)</u>	<u>934</u>	<u>2,926</u>
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	0	(8)	(8)
Advances In	0	2,023	2,023
Advances Out	(7,416)	(7,416)	0
Total Other Financing Sources (Uses)	<u>(7,416)</u>	<u>(5,401)</u>	<u>2,015</u>
Net Change in Fund Balance	(9,408)	(4,467)	4,941
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>2,043</u>	<u>2,043</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$7,365)</u>	<u>(\$2,424)</u>	<u>\$4,941</u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Title II-A Fund		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental	\$242,950	\$241,797	(\$1,153)
Expenditures:			
Current			
Instruction:			
Regular	243,255	240,774	2,481
Support Services:			
Instructional Staff	459	340	119
Operation of Non-Instructional Services	164	164	0
Total Expenditures	<u>243,878</u>	<u>241,278</u>	<u>2,600</u>
Excess of Revenues Over (Under) Expenditures	<u>(928)</u>	<u>519</u>	<u>1,447</u>
Other Financing Sources (Uses):			
Advances In	0	451	451
Advances Out	0	(970)	(970)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(519)</u>	<u>(519)</u>
Net Change in Fund Balance	(928)	0	928
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$928)</u></u>	<u><u>\$0</u></u>	<u><u>\$928</u></u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Uniform School Supplies Fund		
	Final Budget	Actual Budget	Variance with Final Budget Positive (Negative)
Revenues:			
Tuition and Fees	\$321,930	\$322,665	\$735
Expenditures:			
Current			
Instruction:			
Regular	408,057	370,499	37,558
Support Services:			
Instructional Staff	21,797	13,761	8,036
Board of Education	1,475	0	1,475
Total Expenditures	431,329	384,260	47,069
Excess of Revenues Under Expenditures	(109,399)	(61,595)	47,804
Other Financing Sources:			
Transfers In	67,498	90,000	22,502
Net Change in Fund Balance	(41,901)	28,405	70,306
Fund Balance at Beginning of Year	207,085	207,085	0
Prior Year Encumbrances Appropriated	31,406	31,406	0
Fund Balance at End of Year	\$196,590	\$266,896	\$70,306

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Debt Service Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$1,700,545	\$1,700,543	(\$2)
Intergovernmental	253,991	250,120	(3,871)
Total Revenues	<u>1,954,536</u>	<u>1,950,663</u>	<u>(3,873)</u>
Expenditures:			
Current			
Support Services:			
Fiscal	26,030	25,818	212
Debt Service:			
Principal Retirement	1,215,000	1,215,000	0
Interest and Fiscal Charges	670,353	670,353	0
Total Expenditures	<u>1,911,383</u>	<u>1,911,171</u>	<u>212</u>
Net Change in Fund Balance	43,153	39,492	(3,661)
Fund Balance at Beginning of Year	<u>1,256,370</u>	<u>1,256,370</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,299,523</u></u>	<u><u>\$1,295,862</u></u>	<u><u>(\$3,661)</u></u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Endowment Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$2,127	\$2,127	\$0
Gifts and Donations	29,800	29,800	0
Total Revenues	<u>31,927</u>	<u>31,927</u>	<u>0</u>
Expenditures:			
Current			
Extracurricular Activities	<u>4,363</u>	<u>4,099</u>	<u>264</u>
Net Change in Fund Balance	27,564	27,828	264
Fund Balance at Beginning of Year	<u>85,501</u>	<u>85,501</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$113,065</u></u>	<u><u>\$113,329</u></u>	<u><u>\$264</u></u>

Northwest Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Building Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$5,379	\$5,379	\$0
Other Revenues	0	130,617	130,617
Total Revenues	<u>5,379</u>	<u>135,996</u>	<u>130,617</u>
Expenditures:			
Current			
Instruction:			
Regular	27,335	27,335	0
Support Services:			
Capital Outlay	1,060,624	1,060,624	0
Total Expenditures	<u>1,087,959</u>	<u>1,087,959</u>	<u>0</u>
Excess of Revenues Under Expenditures	(1,082,580)	(951,963)	130,617
Other Financing Uses:			
Refund of Prior Year Receipts	0	(130,617)	130,617
Net Change in Fund Balances	(1,082,580)	(1,082,580)	0
Fund Balance at Beginning of Year	128,191	128,191	0
Prior Year Encumbrances Appropriated	<u>992,246</u>	<u>992,246</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$37,857</u></u>	<u><u>\$37,857</u></u>	<u><u>\$0</u></u>

Northwest Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

	Workers' Compensation Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Service	\$252,275	\$252,275	\$0
Operating Expenses:			
Purchased Services	56,063	55,063	1,000
Materials and Supplies	14,000	14,000	0
Claims	55,730	55,730	0
Other	123,000	117,574	5,426
Total Operating Expenses	248,793	242,367	6,426
Net Change in Fund Equity	3,482	9,908	6,426
Fund Equity at Beginning of Year	413,267	413,267	0
Prior Year Encumbrances Appropriated	56,666	56,666	0
Fund Equity at End of Year	\$473,415	\$479,841	\$6,426

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Statistical Section



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

Contents

Page(s)

Financial Trends

S2-S15

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

Revenue Capacity

S16-S23

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

Debt Capacity

S24-S27

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

Economic and Demographic Information

S28-S29

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.

Operating Information

S30-S37

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

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

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

	2006	2007	2008	2009
Governmental Activities				
Net Investment in Capital Assets	\$3,063,084	\$2,440,916	\$2,857,440	\$3,408,154
Restricted	4,911,775	4,812,592	3,098,772	4,545,762
Unrestricted	17,619,488	17,931,886	15,918,949	21,200,605
Total Net Position	<u>\$25,594,347</u>	<u>\$25,185,394</u>	<u>\$21,875,161</u>	<u>\$29,154,521</u>

Source: School District Records

Note: The School District implemented GASB 68 in fiscal year 2015.

2010	2011	2012	2013	2014	2015
\$4,824,453	\$5,225,512	\$4,781,684	\$4,508,984	\$5,508,604	\$8,822,606
4,294,401	5,209,988	4,070,811	4,053,067	4,587,670	3,612,634
22,468,679	27,598,942	31,016,137	37,810,222	(70,671,546)	(62,206,286)
<u>\$31,587,533</u>	<u>\$38,034,442</u>	<u>\$39,868,632</u>	<u>\$46,372,273</u>	<u>(\$60,575,272)</u>	<u>(\$49,771,046)</u>

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

	2006	2007	2008	2009
Expenses				
Governmental Activities:				
Instruction	\$48,903,070	\$49,828,614	\$56,945,019	\$49,951,460
Pupils	4,740,911	4,850,602	4,636,660	5,191,242
Instructional Staff	5,770,458	5,840,176	5,769,942	5,774,646
Board of Education	241,656	281,111	183,505	93,830
School Administration	5,446,475	5,855,802	5,745,910	6,041,145
Fiscal	1,483,369	1,558,363	1,603,973	1,807,516
Business	699,841	507,244	671,137	720,409
Operation and Maintenance	8,272,465	8,033,869	8,570,818	7,029,199
Pupil Transportation	4,589,238	4,819,635	4,901,006	4,595,467
Central	1,211,509	1,272,167	1,665,530	1,586,120
Operation of Non-instructional Services	6,535,203	6,686,349	7,133,882	8,306,507
Extracurricular Activities	1,821,170	1,915,193	1,568,962	1,861,017
Interest and Fiscal Charges	1,529,534	1,008,515	993,695	964,410
Total Government Expenses	<u>91,244,899</u>	<u>92,457,640</u>	<u>100,390,039</u>	<u>93,922,968</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	1,463,778	1,497,076	1,597,900	1,592,934
Pupils	0	11,279	11,664	16,349
Operation and Maintenance	55,309	50,200	45,217	617,093
Pupil Transportation	0	0	0	0
Operation of Non-instructional Services	2,052,682	2,014,390	1,988,401	1,947,625
Extracurricular Activities	631,218	671,898	901,362	804,655
Operating Grants and Contributions	10,407,779	10,858,280	10,087,921	11,795,565
Capital Grants and Contributions	269,047	173,314	193,001	184,366
Total Government Revenues	<u>14,879,813</u>	<u>15,276,437</u>	<u>14,825,466</u>	<u>16,958,587</u>
Total Government Net Expense	<u>(\$76,365,086)</u>	<u>(\$77,181,203)</u>	<u>(\$85,564,573)</u>	<u>(\$76,964,381)</u>

Source: School District Records

Note: (1) The School District implemented GASB 68 in fiscal year 2015.

2010	2011	2012	2013	2014	2015 (1)
\$52,481,465	\$52,123,019	\$50,229,137	\$50,043,505	\$54,525,320	\$55,737,691
5,864,785	5,918,209	5,761,067	5,409,943	5,317,452	5,570,842
6,168,524	7,479,306	6,658,352	6,128,612	2,291,903	3,286,238
178,161	131,907	173,452	106,612	62,669	123,176
5,688,140	6,071,446	5,576,976	5,879,145	5,819,121	5,504,484
1,593,129	2,091,931	1,970,661	2,059,500	1,905,673	1,849,298
583,823	600,034	449,022	413,910	516,401	423,051
7,821,491	7,905,720	6,977,678	7,467,985	6,901,372	7,085,017
5,078,256	5,248,647	5,030,613	5,020,887	6,156,186	5,805,654
1,970,404	1,783,588	1,615,795	1,651,136	1,301,675	1,312,068
6,746,827	7,231,875	6,495,716	7,467,942	6,588,168	7,822,810
1,861,932	2,009,970	1,849,366	1,900,451	1,932,463	1,730,914
915,785	867,155	818,560	1,237,982	1,045,993	949,047
<u>96,952,722</u>	<u>99,462,807</u>	<u>93,606,395</u>	<u>94,787,610</u>	<u>94,364,396</u>	<u>97,200,290</u>
1,869,950	1,641,647	1,585,050	1,709,059	1,294,081	2,116,708
14,785	23,810	394,526	387,550	360,622	378,621
613,381	809,126	708,595	856,200	901,593	909,130
46,465	57,404	53,205	28,494	53,118	34,032
1,709,506	1,603,407	1,508,953	1,338,206	1,222,728	1,192,773
643,017	789,862	665,183	604,704	411,576	379,183
15,592,209	16,183,531	10,597,997	10,694,778	14,148,185	15,624,474
32,008	0	0	0	0	0
<u>20,521,321</u>	<u>21,108,787</u>	<u>15,513,509</u>	<u>15,618,991</u>	<u>18,391,903</u>	<u>20,634,921</u>
<u>(\$76,431,401)</u>	<u>(\$78,354,020)</u>	<u>(\$78,092,886)</u>	<u>(\$79,168,619)</u>	<u>(\$75,972,493)</u>	<u>(\$76,565,369)</u>

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

	2006	2007	2008	2009
Total Government Net Expense	(\$76,365,086)	(\$77,181,203)	(\$85,564,573)	(\$76,964,381)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes Levied for General Purposes	39,092,855	40,052,554	43,685,645	39,010,796
Property Taxes Levied for Capital Projects Purposes	0	0	0	2,760,232
Property Taxes Levied for Debt Service Purposes	1,678,204	1,527,841	1,475,539	1,666,398
Payment in Lieu of Taxes	2,170,537	1,353,248	2,541,812	4,170,555
Investment Earnings	957,958	1,281,757	923,168	433,779
Grants and Entitlements not Restricted to Specific Programs	31,520,219	31,552,624	33,156,736	35,319,550
Gifts and Donations not Restricted for Spcific Programs	211,257	201,670	206,874	209,561
Miscellaneous	389,323	802,556	264,566	672,870
Total Government Activities	<u>76,020,353</u>	<u>76,772,250</u>	<u>82,254,340</u>	<u>84,243,741</u>
Change in Net Position	<u>(\$344,733)</u>	<u>(\$408,953)</u>	<u>(\$3,310,233)</u>	<u>\$7,279,360</u>

Source: School District Records

Note: (1) The School District implemented GASB 68 in fiscal year 2015.

2010	2011	2012	2013	2014	2015 (1)
(\$76,431,401)	(\$78,354,020)	(\$78,092,886)	(\$79,168,619)	(\$75,972,493)	(\$76,565,369)
37,232,185	41,222,092	36,350,086	43,920,672	46,152,421	44,020,483
2,798,365	3,248,049	2,517,199	2,544,368	2,615,606	2,452,865
1,567,267	1,953,476	1,623,331	1,725,996	1,777,796	1,668,331
2,983,732	3,217,041	3,769,607	3,464,114	3,710,151	3,881,320
202,298	198,962	157,882	(20,926)	312,279	242,400
33,399,642	34,570,047	34,579,559	32,831,800	33,547,912	34,089,574
171,915	152,446	147,731	167,983	155,139	255,556
509,009	238,814	781,681	1,038,253	178,587	759,066
78,864,413	84,800,927	79,927,076	85,672,260	88,449,891	87,369,595
<u>\$2,433,012</u>	<u>\$6,446,907</u>	<u>\$1,834,190</u>	<u>\$6,503,641</u>	<u>\$12,477,398</u>	<u>\$10,804,226</u>

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

	2006	2007	2008	2009
General Fund				
Reserved	\$14,850,178	\$13,241,226	\$15,315,873	\$14,344,202
Unreserved	4,431,337	5,028,757	3,235,516	7,466,773
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total General Fund	<u>19,281,515</u>	<u>18,269,983</u>	<u>18,551,389</u>	<u>21,810,975</u>
All Other Governmental Funds				
Reserved	795,705	981,536	1,949,064	2,538,473
Unreserved, Reported in:				
Special Revenue Funds	550,025	278,371	(1,076,114)	375,257
Debt Service Funds	1,113,172	1,194,512	1,071,556	1,035,064
Capital Project Funds	2,427,816	2,433,966	100,655	208,299
Permanent Funds	0	0	0	0
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Total all Other Governmental Funds	<u>\$4,886,718</u>	<u>\$4,888,385</u>	<u>\$2,045,161</u>	<u>\$4,157,093</u>

Source: School District Records

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

2010	2011	2012	2013	2014	2015
\$13,265,955	\$0	\$0	\$0	\$0	\$0
10,221,736	0	0	0	0	0
0	54,549	41,489	11,000	11,000	11,000
0	554,329	812,264	931,943	527,033	458,064
0	24,609,553	25,972,050	30,882,889	42,201,249	50,374,983
<u>23,487,691</u>	<u>25,218,431</u>	<u>26,825,803</u>	<u>31,825,832</u>	<u>42,739,282</u>	<u>50,844,047</u>
2,058,837	0	0	0	0	0
427,040	0	0	0	0	0
1,055,225	0	0	0	0	0
693,319	0	0	0	0	0
94,707	0	0	0	0	0
0	120,684	127,763	79,000	79,000	146,298
0	4,130,877	3,065,950	7,014,383	3,806,387	3,046,376
0	3,699,071	5,425,741	7,461,026	7,947,551	5,706,281
0	(141,437)	(538,641)	(491,050)	(123,256)	(281,172)
<u>\$4,329,128</u>	<u>\$7,809,195</u>	<u>\$8,080,813</u>	<u>\$14,063,359</u>	<u>\$11,709,682</u>	<u>\$8,617,783</u>

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

	2006	2007	2008	2009
Revenues:				
Property Taxes	\$40,771,058	\$39,571,250	\$44,923,966	\$43,221,580
Revenue in Lieu of Taxes	1,905,623	2,159,741	3,488,839	2,974,827
Intergovernmental	42,042,886	42,681,291	42,285,156	48,131,399
Investment Earnings	957,958	1,281,757	923,168	433,779
Tuition and Fees	1,827,893	1,207,360	1,107,809	908,960
Extracurricular Activities	455,337	500,925	641,725	670,974
Rent	0	0	0	0
Gifts and Donations	0	0	0	0
Charges for Services	2,052,682	2,856,808	2,795,010	3,398,723
Miscellaneous	599,580	689,921	467,523	814,488
Total Revenues	<u>\$90,613,017</u>	<u>\$90,949,053</u>	<u>\$96,633,196</u>	<u>\$100,554,730</u>

Source: School District Records

2010	2011	2012	2013	2014	2015
\$41,099,173	\$46,496,662	\$40,713,901	\$48,730,582	\$50,372,524	\$48,648,693
2,983,732	3,217,041	3,769,607	3,464,114	3,710,151	3,881,320
50,279,723	49,954,418	45,192,632	43,465,307	47,674,373	50,347,957
202,298	198,962	157,882	(31,452)	311,253	231,500
1,615,133	1,699,249	1,764,717	1,709,059	1,294,081	2,116,708
524,755	614,328	645,926	818,202	726,284	661,936
0	0	0	671,196	640,003	660,409
0	0	0	178,483	165,139	255,556
3,028,333	2,611,679	1,924,423	1,725,756	1,583,350	1,571,394
409,555	333,927	1,509,858	1,038,253	178,587	759,066
<u>\$100,142,702</u>	<u>\$105,126,266</u>	<u>\$95,678,946</u>	<u>\$101,769,500</u>	<u>\$106,655,745</u>	<u>\$109,134,539</u>

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

	2006	2007	2008	2009
Instruction	\$48,009,414	\$49,180,578	\$55,063,771	\$49,098,127
Pupils	4,753,090	4,796,893	4,658,356	5,123,343
Instructional Staff	5,775,348	5,832,460	5,701,322	5,880,737
Board of Education	241,656	281,111	183,505	93,830
School Administration	5,411,896	5,906,050	5,806,393	5,942,361
Fiscal	1,518,660	1,695,551	1,581,267	1,785,013
Business	694,082	512,931	694,398	707,873
Operation and Maintenance	8,274,328	7,956,222	9,138,204	8,487,069
Pupil Transportation	4,444,862	4,584,733	4,741,030	4,438,485
Central	1,253,835	1,189,253	1,682,782	1,503,774
Operation of Non-instructional Services	6,673,610	6,651,816	7,120,644	8,142,696
Extracurricular Activities	1,815,078	1,733,681	1,783,724	1,836,262
Capital Outlay	0	0	0	147,548
Debt Service				
Principal Retirements	590,000	675,000	928,396	1,129,533
Interest and Fiscal Charges	1,149,162	994,495	969,747	934,502
Total Expenditures	<u>\$90,605,021</u>	<u>\$91,990,774</u>	<u>\$100,053,539</u>	<u>\$95,251,153</u>
Debt Service as a Percentage of Noncapital Expenditures	1.93%	1.82%	1.90%	2.19%

Source: School District Records

2010	2011	2012	2013	2014	2015
\$51,443,938	\$51,738,062	\$49,147,165	\$49,540,643	\$54,153,033	\$57,710,898
5,755,844	5,981,301	5,734,490	5,445,195	5,422,641	5,640,673
6,199,761	7,437,142	6,676,607	6,131,354	2,324,603	3,429,009
178,161	131,907	173,521	106,610	62,676	123,828
5,549,993	5,997,588	5,694,393	5,797,858	5,673,717	5,875,866
1,581,215	2,084,929	1,965,954	2,061,788	1,862,236	1,925,220
596,807	605,131	448,021	430,116	435,194	421,010
7,806,790	7,725,956	6,753,373	7,260,093	6,892,569	7,087,307
5,402,586	5,113,826	4,753,428	5,278,539	5,559,199	5,707,840
1,977,662	1,774,642	1,593,639	1,602,071	1,335,845	1,345,689
6,718,077	7,405,032	6,456,083	7,425,550	6,513,109	7,837,697
1,858,764	1,964,452	1,902,618	1,907,581	1,888,006	1,789,058
990,767	36,483	554,874	7,621,167	3,096,775	2,325,834
1,351,679	990,000	1,070,000	1,155,000	1,875,000	1,890,000
881,907	829,008	775,790	1,046,827	1,001,369	1,011,744
<u>\$98,293,951</u>	<u>\$99,815,459</u>	<u>\$93,699,956</u>	<u>\$102,810,392</u>	<u>\$98,095,972</u>	<u>\$104,121,673</u>

2.32%	1.86%	2.01%	2.34%	3.05%	2.88%
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Northwest Local School District
Other Financing Sources and Uses and Net Change in Fund Balances
Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 7

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	\$1,001	\$31,856	\$3,917	\$67,941	\$250
Issuance of Capital Leases	0	0	854,608	0	0
Payments to Refunded Bonds Escrow Agent	(15,964,485)	0	0	0	0
Proceeds of Refunding Bonds	15,380,000	0	0	0	0
Bonds Issued	0	0	0	0	0
Premium on Bonds and Notes Issued	584,485	0	0	0	0
Transfers In	0	0	2,628	0	61,649
Transfers Out	0	0	(2,628)	0	(61,649)
Total Other Financing Sources (Uses)	<u>1,001</u>	<u>31,856</u>	<u>858,525</u>	<u>67,941</u>	<u>250</u>
Net Change in Fund Balances	<u>\$8,997</u>	<u>\$31,856</u>	<u>(\$2,561,818)</u>	<u>\$5,371,518</u>	<u>\$1,849,001</u>

Source: School District Records

2011	2012	2013	2014	2015
\$0	\$0	\$2,850	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	11,890,000	0	0
0	0	130,617	0	0
65,000	0	60,000	60,000	60,000
(165,000)	(100,000)	(60,000)	(60,000)	(60,000)
(100,000)	(100,000)	12,023,467	0	0
<u>\$5,210,807</u>	<u>\$1,878,990</u>	<u>\$10,982,575</u>	<u>\$8,559,773</u>	<u>\$5,012,866</u>

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

Calendar Year	Real Property Assessed Value	Estimated Actual Value	Tangible Personal Property Assessed Value	Estimated Actual Value	Public Utilities Personal Assessed Value
2006	\$1,611,429,080	\$4,604,083,086	\$45,456,080	\$56,820,100	\$36,164,160
2007	1,635,959,680	4,674,170,514	24,896,760	31,120,950	32,546,400
2008	1,632,851,870	4,665,291,057	2,585,353	3,231,691	32,779,000
2009	1,620,943,080	4,631,265,943	2,675,180	3,343,975	35,300,900
2010	1,616,185,810	4,617,673,743	1,260,480	1,575,600	35,469,760
2011	1,444,372,160	4,126,777,600	0	0	35,573,060
2012	1,444,372,160	4,126,777,600	0	0	35,573,060
2013	1,434,832,940	4,099,522,686	0	0	40,743,160
2014	1,434,689,580	4,099,113,086	0	0	44,188,630
2015	1,384,139,410	3,954,684,029	0	0	47,404,440

Source: Hamilton County Auditor

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

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

Estimated Actual Value	Total Assessed Value	Total Estimated Actual Value	Ratio	Weighted Average Tax Rate
\$192,875,520	\$1,693,049,320	\$4,853,778,706	34.88%	\$10.24
260,371,200	1,693,402,840	4,965,662,664	34.10%	9.80
524,464,000	1,668,216,223	5,192,986,748	32.12%	10.29
353,009,000	1,658,919,160	4,987,618,918	33.26%	10.69
709,395,200	1,652,916,050	5,328,644,543	31.02%	10.10
711,461,200	1,479,945,220	4,838,238,800	30.59%	10.19
711,461,200	1,479,945,220	4,838,238,800	30.59%	11.13
814,863,200	1,475,576,100	4,914,385,886	30.03%	12.83
883,772,600	1,478,878,210	4,982,885,686	29.68%	12.72
948,088,800	1,431,543,850	4,902,772,829	29.20%	12.66

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

	2006	2007	2008	2009
UNVOTED MILLAGE:				
Operating	\$6.33	\$6.33	\$6.33	\$4.33
Permanent Improvement	0.00	0.00	0.00	2.00
VOTED MILLAGE - BY LEVY:				
1976 Current Expense				
Residential/Agricultural Real	5.23	5.23	5.22	5.31
Commercial/Industrial and Public Utility Real	7.35	7.28	7.17	7.13
General Business and Public Utility Personal	19.84	19.84	19.84	19.84
1986 Current Expense				
Residential/Agricultural Real	4.27	4.27	4.26	4.34
Commercial/Industrial and Public Utility Real	4.96	4.92	4.84	4.82
General Business and Public Utility Personal	9.86	9.86	9.86	9.86
1989 Current Expense				
Residential/Agricultural Real	3.33	3.33	3.33	3.39
Commercial/Industrial and Public Utility Real	4.23	4.19	4.13	4.11
General Business and Public Utility Personal	6.95	6.95	6.95	6.95
1997 Current Expense				
Residential/Agricultural Real	3.71	3.71	3.70	3.77
Commercial/Industrial and Public Utility Real	4.36	4.32	4.25	4.23
General Business and Public Utility Personal	5.56	5.56	5.56	5.56
1997 Bond (\$25,000,000)				
Residential/Agricultural Real	1.10	0.96	0.96	1.12
Commercial/Industrial and Public Utility Real	1.10	0.96	0.96	1.12
General Business and Public Utility Personal	1.10	0.96	0.96	1.12
2007 Emergency (\$6,411,000)				
Residential/Agricultural Real	0.00	0.00	3.89	3.90
Commercial/Industrial and Public Utility Real	0.00	0.00	3.89	3.90
General Business and Public Utility Personal	0.00	0.00	3.89	3.90
2010 Emergency (\$6,411,000)				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
2012 Emergency (\$7,344,295)				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
Residential/Agricultural Real	17.64	17.50	21.36	21.83
Commercial/Industrial and Public Utility Real	22.00	21.67	25.24	25.31
General Business and Public Utility Personal	43.31	43.17	47.06	47.23
TOTAL SCHOOL DISTRICT MILLAGE				
	49.64	49.50	53.39	53.56
WEIGHTED AVERAGE				
	10.24	9.80	10.29	10.69

2010	2011	2012	2013	2014	2015
\$4.33	\$4.33	\$4.33	\$4.33	\$4.33	\$4.33
2.00	2.00	2.00	2.00	2.00	2.00
5.32	5.33	6.00	6.03	6.06	6.37
7.28	7.53	8.41	8.74	8.79	8.94
19.84	19.84	19.84	19.84	19.84	19.84
4.35	4.36	4.90	4.92	4.95	5.20
4.92	5.09	5.68	5.91	5.94	6.04
9.86	9.86	9.86	9.86	9.86	9.86
3.39	3.40	3.83	3.85	3.86	4.06
4.20	4.34	4.85	5.04	5.06	5.15
6.95	6.95	6.95	6.95	6.95	6.95
3.77	3.78	4.26	4.28	4.30	4.52
4.32	4.46	4.99	5.19	5.21	5.30
5.56	5.56	5.56	5.56	5.56	5.56
1.12	1.12	1.30	1.36	1.36	1.36
1.12	1.12	1.30	1.36	1.36	1.36
1.12	1.12	1.30	1.36	1.36	1.36
3.91	3.94	0.00	0.00	0.00	0.00
3.91	3.94	0.00	0.00	0.00	0.00
3.91	3.94	0.00	0.00	0.00	0.00
0.00	0.00	4.38	4.52	4.52	4.52
0.00	0.00	4.38	4.52	4.52	4.52
0.00	0.00	4.38	4.52	4.52	4.52
0.00	0.00	0.00	5.15	5.15	5.15
0.00	0.00	0.00	5.15	5.15	5.15
0.00	0.00	0.00	5.15	5.15	5.15
21.86	21.93	24.67	30.11	30.20	31.18
25.75	26.48	29.61	35.91	36.03	36.46
47.24	47.27	47.89	53.24	53.24	53.24
53.57	53.60	54.22	59.57	59.57	59.57
10.10	10.19	11.13	12.83	12.72	12.66

(continued)

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

OVERLAPPING RATES BY TAXING DISTRICT	2006	2007	2008	2009
Townships:				
Residential/Agricultural Real	6.07 - 16.09	6.08 - 16.10	6.08 - 16.11	8.02 - 16.29
Commercial/Industrial and Public Utility Real	7.59 - 18.88	7.46 - 18.97	7.43 - 19.15	9.24 - 18.45
General Business and Public Utility Personal	9.81 - 20.30	9.81 - 20.30	9.81 - 20.30	11.71 - 20.30
Corporations:				
Residential/Agricultural Real	4.66 - 8.43	4.66 - 8.43	4.66 - 8.43	4.88 - 12.76
Commercial/Industrial and Public Utility Real	5.37 - 9.29	5.43 - 9.19	5.42 - 9.22	4.99 - 12.76
General Business and Public Utility Personal	5.94 - 11.08	5.94 - 11.08	5.94 - 11.08	5.94 - 12.76
Butler County Joint Vocational District:				
Residential/Agricultural Real	0.00	0.00	0.00	1.93
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	1.93
General Business and Public Utility Personal	0.00	0.00	0.00	1.93
COUNTY AND OTHER UNITS:				
Butler County:				
Residential/Agricultural Real	8.40	9.85	9.33	8.55
Commercial/Industrial and Public Utility Real	9.02	10.62	10.08	8.65
General Business and Public Utility Personal	9.44	10.95	10.45	9.75
Hamilton County:				
Residential/Agricultural Real	12.00	11.97	12.34	12.33
Commercial/Industrial and Public Utility Real	15.16	15.03	15.38	14.92
General Business and Public Utility Personal	19.78	19.15	19.53	19.60
Hamilton County Park District				
Residential/Agricultural Real	0.78	0.78	0.78	0.78
Commercial/Industrial and Public Utility Real	0.94	0.94	0.94	0.90
General Business and Public Utility Personal	1.03	1.03	1.03	1.03
Cincinnati-Hamilton City Public Library				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00

Source: Ohio Department of Taxation

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

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

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

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

2010	2011	2012	2013	2014	2015
8.03 - 18.83	8.05 - 18.94	8.67 - 21.15	8.68 - 22.27	8.70 - 22.41	5.92 - 22.81
9.23 - 21.05	9.34 - 21.66	9.77 - 22.72	9.80 - 23.74	9.85 - 23.75	5.95 - 22.93
11.71 - 22.80	11.71 - 22.8	11.71 - 22.80	11.71 - 23.80	11.71 - 23.80	7.19 - 22.98
4.86 - 11.08	4.88 - 11.08	5.23 - 11.08	5.24 - 11.08	5.25 - 11.08	5.37 - 11.08
5.23 - 11.08	5.28 - 11.08	5.63 - 11.08	5.73 - 11.08	5.69 - 11.46	5.76 - 11.31
5.94 - 11.08	5.94 - 11.08	5.94 - 6.68	5.94 - 11.08	5.94 - 11.69	5.94 - 11.58
1.93	1.93	1.93	1.93	1.93	1.93
1.93	1.93	1.93	1.93	1.93	1.93
1.93	1.93	1.93	1.93	1.93	1.93
8.89	8.95	9.08	9.09	9.09	9.13
8.97	9.21	9.54	9.55	9.55	9.56
9.75	9.72	9.72	9.72	9.72	9.72
12.36	12.42	13.35	13.41	13.45	13.26
15.07	15.57	16.10	16.28	16.37	16.44
19.45	19.45	19.03	19.03	19.03	18.85
0.78	0.79	0.87	0.88	0.88	0.88
1.91	0.96	1.02	1.03	1.03	1.03
1.03	1.03	1.03	1.03	1.03	1.03
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00

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

Calendar Year	Current Tax Levy	Collected within the Calendar Year of the Levy		Collection in Subsequent Years (3)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$47,821,130	\$42,673,894	89.24%	\$1,777,244	\$44,451,138	92.95%
2007	46,763,460	43,657,969	93.36%	1,326,968	44,984,937	96.20%
2008	50,800,639	48,207,637	94.90%	1,590,158	49,797,795	98.03%
2009	50,772,759	46,882,929	92.34%	1,423,427	48,306,356	95.14%
2010	51,248,384	46,784,226	91.29%	1,495,281	48,279,507	94.21%
2011	52,001,081	47,330,833	91.02%	1,772,516	49,103,349	94.43%
2012	50,973,174	46,194,644	90.63%	2,093,891	48,288,535	94.73%
2013	58,895,102	55,041,653	93.46%	1,711,628	56,753,281	96.36%
2014	58,788,930	55,204,307	93.90%	1,583,887	56,788,194	96.60%
2015	58,269,300	54,983,676	94.36%	1,471,776	56,455,452	96.89%

Source: Hamilton County Auditor

- (1) Current taxes levied and current tax collections do not include rollback and homestead amounts.
- (2) The 2015 information cannot be presented because all collections have not been made by June 30, 2015.
- (3) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Northwest Local School District
Principal Property Tax Payers
2014 and 2007
Schedule 11

Taxpayer	2014 (1)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Duke Energy Ohio Inc.	\$43,681,770	2.96%
TKG Colerain Towne Center	10,540,950	0.71%
T Northgate Mall LLC	6,894,760	0.47%
Rumpke Sanitary Landfill INC	6,500,280	0.44%
Mercy Hospitals West	6,102,540	0.41%
8403 Colerain Ave LLC	5,261,300	0.36%
Prospect Square 07 A LLC	4,097,760	0.28%
The Procter & Gamble Co.	3,571,970	0.24%
Northwest Woods LLC	3,571,970	0.24%
Lees Crossing LLC	3,466,180	0.23%
Total Principal Taxpayers	93,689,480	6.34%
All Other Taxpayers	1,385,188,730	93.66%
Total All Taxpayers	\$1,478,878,210	100.00%

Taxpayer	2007 (1)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Northgate Partners LLC	\$35,335,660	2.09%
KIR Colerain LLC	9,634,760	0.57%
Rumpke Sanitary Landfill Inc.	6,909,270	0.41%
Cincinnati Mills	6,075,130	0.36%
Procter & Gamble Co	5,873,360	0.35%
Wells Fargo Bank NA	5,558,370	0.33%
Wal-Mart Real Estate	5,409,260	0.32%
Stone Creek Development	4,148,400	0.24%
Northwest Woods LLC	4,020,180	0.24%
Lee Crossing LLC	3,986,400	0.24%
Total Principal Taxpayers	86,950,790	5.15%
All Other Taxpayers	1,606,452,050	94.85%
Total All Taxpayers	\$1,693,402,840	100.00%

Source: Hamilton County Auditor

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

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

Fiscal Year	General Bonded Debt		Per Capita (b)	Other Debt Obligations		Total Outstanding Debt Obligations	Percentage of Personal Income (b)	Per Capita
	General Obligation Bonds	Percentage of Total Assessed Property Value (a)		QZAB and Tax-Exempt Bonds	Certificates of Participation			
2006	\$21,715,000	1.28%	\$253	\$0	\$0	\$21,715,000	0.06%	253
2007	21,040,000	1.24	245	0	0	21,040,000	0.06%	245
2008	20,250,000	1.21	236	0	0	20,250,000	0.05%	236
2009	19,405,000	1.17	226	0	0	19,405,000	0.05%	226
2010	18,485,000	1.12	248	0	0	18,485,000	0.05%	248
2011	17,495,000	1.18	235	0	0	17,495,000	0.05%	235
2012	17,155,629	1.12	230	0	0	17,155,629	0.04%	230
2013	16,040,263	1.09	215	5,419,586	6,594,770	28,054,619	0.07%	377
2014	14,840,946	1.00	199	5,067,522	6,308,908	26,217,376	0.06%	352
2015	13,589,646	0.95	183	4,715,458	5,978,046	24,283,150	N/A	326

Source: School District Records

N/A - Bureau of Economic Analysis Data. Information for Hamilton County. Last updated in 2014

(1) See S28 for personal income data.

(a) See assessed and estimated actual value of taxable property for total assessed property value.

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

Northwest Local School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Direct:			
Bonds Payable	\$24,283,150	100.00%	\$24,283,150
Overlapping Debt:			
Butler County	\$52,585,110	0.03%	\$15,776
Hamilton County	89,965,000	7.83%	7,044,260
City of Forest Park	4,645,000	11.13%	516,989
City of North College Hill	690,000	2.51%	17,319
Colerain Township	5,580,000	93.63%	5,224,554
Fairfield Township	8,295,000	51.00%	4,230,450
Butler Technology & Career Center JT. Voc. School District	9,575,000	17.80%	1,704,350
Springfield Township	9,515,000	12.74%	1,212,211
Total Overlapping Debt	180,850,110		19,965,909
Total Direct and Overlapping Debt	\$205,133,260		\$44,249,059

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$153,256,696	\$154,705,985	\$152,211,071	\$150,139,460	\$149,302,724
Total Net Debt Applicable to Limit	<u>19,946,828</u>	<u>21,040,000</u>	<u>20,250,000</u>	<u>19,405,000</u>	<u>18,485,000</u>
Legal Debt Margin	<u>\$133,309,868</u>	<u>\$133,665,985</u>	<u>\$131,961,071</u>	<u>\$130,734,460</u>	<u>\$130,817,724</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.02%	13.60%	13.30%	12.92%	12.38%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2014 is calendar year 2013)

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value (1)	\$1,431,543,850
Debt Limit (9% of Assessed Value)	128,838,947
Debt Applicable to Limit	23,395,000
Less Amount Available in Debt Service	<u>(1,976,862)</u>
Legal Debt Margin	<u>\$107,420,809</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$148,552,126	\$133,334,715	\$132,801,849	\$133,099,039	\$128,838,947
<u>16,425,000</u>	<u>20,660,000</u>	<u>25,313,091</u>	<u>23,329,630</u>	<u>21,418,138</u>
<u>\$132,127,126</u>	<u>\$112,674,715</u>	<u>\$107,488,758</u>	<u>\$109,769,409</u>	<u>\$107,420,809</u>
11.06%	15.49%	19.06%	17.53%	16.62%

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)
2006	85,875	\$35,146,091	\$41,477	5.0%
2007	85,875	36,488,577	42,730	5.0%
2008	85,875	37,484,285	43,918	5.6%
2009	85,875	36,248,694	44,320	8.9%
2010	74,442	36,770,921	45,852	9.4%
2011	74,442	37,522,065	46,881	8.6%
2012	74,442	39,631,501	49,413	6.8%
2013	74,442	40,415,100	50,235	7.3%
2014	74,442	41,322,507	51,229	7.1%
2015	74,442	N/A	N/A	4.4%

- Sources:
- (1) Population estimates provided by U.S. Census Bureau
 - (2) Bureau of Economic Analysis Data. Information for Hamilton County.
Last updated in 2014
 - (3) Bureau of Economic Analysis Data. Information for Hamilton County.
Last updated in 2014
 - (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)
2014 and 2005
Schedule 16

2014 (3)

Major Employers	Type	Number of Employees (1)	Employer's Percentage of Total Employment
Kroger Company	Trade	20,260	0.96%
University of Cincinnati	Education	15,651	0.75%
Cincinnati Children's Hospital	Medical	13,967	0.67%
Procter & Gamble Co	Mfg	12,000	0.57%
TriHealth Inc.	Serv	11,000	0.52%
UC Health	Medical	10,000	0.48%
Catholic Health Partners/Mercy	Medical	8,956	0.43%
GE Aviation	Mfg	7,600	0.36%
Archdiocese of Cincinnati	Religious	7,500	0.36%
St Elizabeth Healthcare	Medical	7,423	0.35%
	Total	114,357	
Total Metropolitan Statistical Area Estimate		2,100,000	

2005

Major Employers	Type	Number of Employees (2)	Employer's Percentage of Total Employment
University of Cincinnati	Education	15,400	1.74%
Kroger Company	Trade	14,000	1.59%
Health Alliance of Greater Cincinnati	Medical	13,141	1.49%
Procter & Gamble Co	Mfg	12,000	1.36%
Fifth Third Bank	Financial	8,964	1.01%
Toyota Motor Manufacturing	Mfg	8,490	0.96%
Children's Hospital Medical Center	Medical	8,102	0.92%
TriHealth Inc.	Medical	7,648	0.87%
Cincinnati Public Schools	Education	7,589	0.86%
City of Cincinnati	Government	6,964	0.79%
	Total	102,298	
Total Metropolitan Statistical Area Estimate		883,200	

Sources: (1) - Cincinnati Chamber of Commerce
metropolitan statistical area.

(3) - 2014 was the most up-to-date information the School District could obtain

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administrative										
Central Office	13.0	12.0	15.0	17.0	17.0	19.0	18.0	16.0	16.0	23.0
Certified Licensed	27.0	27.0	26.0	25.0	25.0	25.0	25.0	25.0	25.0	24.0
Classified	14.0	12.0	11.0	10.0	12.0	12.0	12.0	11.0	11.0	5.0
Total Administrative	54.0	51.0	52.0	52.0	54.0	56.0	55.0	52.0	52.0	52.0
Instructional Staff										
Teachers	651.0	632.0	624.0	577.0	575.0	558.0	520.0	502.0	502.0	505.0
Instructional Specialists	10.0	9.0	8.0	8.0	8.0	12.0	12.0	14.0	14.0	14.0
Librarians	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0	5.0
Instructional Coordinator	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Counselors	17.0	17.0	17.0	17.0	17.0	17.0	17.0	16.0	16.0	16.0
Psychologist	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Instructional Staff	684.0	664.0	654.0	607.0	605.0	591.0	553.0	536.0	536.0	540.0
Support Staff										
Educational Assistants	139.5	151.5	150.5	150.0	157.7	183.5	178.5	159.0	159.0	184.0
Nurses	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health Technician	18.0	18.0	18.0	17.0	17.0	17.0	16.0	16.0	16.0	16.0
Library Assistants	14.0	14.0	14.0	13.0	13.0	13.0	9.0	9.0	9.0	8.0
Transportation/Delivery	90.0	91.0	75.0	75.0	79.0	78.5	78.5	71.5	71.5	90.0
Food Service	104.0	104.0	104.0	100.0	98.3	97.5	97.5	89.0	89.0	90.0
Secretarial/Clerical	65.0	62.0	64.0	65.0	65.0	63.0	60.0	58.0	58.0	64.0
Data Processing	5.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	6.0
Maintenance	8.0	8.0	10.0	10.0	9.0	11.0	10.0	10.0	10.0	10.0
Custodial	62.0	67.0	63.0	62.0	62.5	62.5	57.0	50.0	50.0	47.0
Total Support Staff	506.5	522.5	505.5	499.0	507.5	532.0	512.5	468.5	468.5	516.0
Total School District Staff	1,244.5	1,237.5	1,211.5	1,158.0	1,166.5	1,179.0	1,120.5	1,056.5	1,056.5	1,108.0

Source: School 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)
2006	10,332	\$88,865,859	\$8,601	1.06%	\$91,244,899	\$8,831
2007	10,370	90,321,279	8,710	1.27%	92,457,640	8,916
2008	9,823	98,155,396	9,992	14.73%	100,390,039	10,220
2009	9,616	93,039,570	9,675	-3.17%	93,922,968	9,767
2010	9,678	95,069,598	9,823	1.53%	96,952,722	10,018
2011	9,515	97,959,968	10,295	4.81%	99,462,807	10,453
2012	9,263	91,299,292	9,856	-4.26%	93,606,395	10,105
2013	9,252	92,987,398	10,051	1.97%	94,787,610	10,245
2014	9,279	92,122,828	9,928	-1.22%	94,364,396	10,170
2015	9,080	98,894,095	10,891	9.70%	97,200,290	10,705

Source: School 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

Percentage Change of Cost Per Pupil	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
1.39%	651	15.87	29.36%
0.96%	632	16.41	30.95%
14.63%	624	15.74	30.53%
-4.43%	577	16.67	38.28%
2.56%	575	16.83	40.71%
4.35%	558	17.05	46.42%
-3.33%	520	17.81	48.76%
1.38%	502	18.43	49.37%
-0.73%	502	18.48	49.00%
5.26%	527	17.23	45.00%

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

School	2006	2007	2008	2009	2010	2011	2012
Elementary							
Colerain Elementary - 1923							
Square feet	84,934	84,934	84,934	84,934	84,934	84,934	84,934
Capacity (1)	850	850	850	850	850	850	850
Enrollment	667	668	645	852	856	849	848
Bevis Elementary - 1970							
Square feet	48,640	48,640	48,640	48,640	48,640	48,640	48,640
Capacity (1)	600	600	600	600	600	600	600
Enrollment	489	490	445	429	440	442	454
Houston Elementary - 1966							
Square feet	62,826	62,826	62,826	62,826	62,826	62,826	62,826
Capacity (1)	600	600	600	0	0	0	0
Enrollment	422	422	408	0	0	0	0
Monfort Heights Elementary - 2000							
Square feet	76,787	76,787	76,787	76,787	76,787	76,787	76,787
Capacity (1)	700	700	700	700	700	700	700
Enrollment	717	718	685	645	665	655	644
Pleasant Run Elementary - 1961							
Square feet	54,751	54,751	54,751	54,751	54,751	54,751	54,751
Capacity (1)	575	575	575	575	575	575	575
Enrollment	500	500	481	394	418	389	367
Struble Elementary - 1959							
Square feet	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Capacity (1)	376	376	376	376	376	376	376
Enrollment	404	405	400	408	409	417	361
Taylor Elementary - 1960							
Square feet	56,262	56,262	56,262	56,262	56,262	56,262	56,262
Capacity (1)	525	525	525	525	525	525	525
Enrollment	470	493	348	488	521	494	431
Weigel Elementary - 1965							
Square feet	55,057	55,057	55,057	55,057	55,057	55,057	55,057
Capacity (1)	500	500	500	500	500	500	500
Enrollment	498	502	467	470	488	490	476
Welch Elementary - 1977							
Square feet	46,800	46,800	46,800	46,800	46,800	46,800	46,800
Capacity (1)	425	425	425	425	425	425	425
Enrollment	372	372	325	387	367	404	395

Source: District records

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

2013	2014	2015
84,934	84,934	84,934
850	850	850
861	899	942
48,640	48,640	48,640
600	600	600
434	0	0
62,826	62,826	62,826
0	0	0
0	0	0
76,787	76,787	76,787
700	700	700
669	667	651
54,751	54,751	54,751
575	575	575
356	552	514
45,000	45,000	45,000
376	376	376
430	444	439
56,262	56,262	56,262
525	525	525
463	631	575
55,057	55,057	55,057
500	500	500
454	455	424
46,800	46,800	46,800
425	425	425
398	520	494

(continued)

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

School	2006	2007	2008	2009	2010	2011	2012
Junior High School							
Colerain Middle - 1932							
Square feet	77,591	77,591	77,591	77,591	77,591	77,591	77,591
Capacity (1)	675	675	675	675	675	675	675
Enrollment	719	720	688	670	669	641	619
Pleasant Run Middle - 1969							
Square feet	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
Enrollment	880	879	857	867	816	794	792
White Oak Middle - 1961							
Square feet	81,950	81,950	81,950	81,950	81,950	81,950	81,950
Capacity (1)	735	735	735	735	735	735	735
Enrollment	766	773	754	751	721	752	764
High School							
Colerain High - 1964							
Square feet	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
Enrollment	2,215	2,215	2,166	2,151	2,165	2,150	2,073
Northwest High - 1972							
Square feet	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
Enrollment	1,213	1,213	1,154	1,104	1,102	1,038	1,039

Source: District records

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

2013	2014	2015
77,591	77,591	77,591
675	675	675
593	595	595
108,230	108,230	108,230
1,100	1,100	1,100
787	752	709
81,950	81,950	81,950
735	735	735
792	763	754
193,768	193,768	193,768
2,100	2,100	2,100
1,997	1,998	1,976
163,345	163,345	163,345
1,250	1,250	1,250
1,018	1,003	1,007

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Dave Yost • Auditor of State

NORTHWEST LOCAL SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 17, 2016**