



Mary Taylor, CPA  
Auditor of State



**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

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**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2007**

<b>FEDERAL GRANTOR Pass Through Grantor Program Title</b>	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<b><i>Passed Through Ohio Department of Education:</i></b>						
School Breakfast Program	05-PU	10.553	\$103,042		\$103,042	
National School Lunch Program	LL-P4	10.555	964,791		964,791	
Total Nutrition Cluster			<b>1,067,833</b>		<b>1,067,833</b>	
Food Distribution Program	N/A	10.550		184,402		184,402
Total U.S. Department of Agriculture			<b>1,067,833</b>	<b>184,402</b>	<b>1,067,833</b>	<b>184,402</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<b><i>Passed Through Ohio Department of Education:</i></b>						
Special Education Cluster:						
Grants to States (IDEA Part B)	6B-SF	84.027	2,594,502		2,870,950	
Preschool Grant (IDEA Preschool)	PG-S1	84.173	45,678		45,018	
Total Special Education Cluster			<b>2,640,180</b>	<b>0</b>	<b>2,915,968</b>	<b>0</b>
Title I Grants to Local Educational Agencies	C1-S1	84.010	943,500		876,470	
Vocational Education - Basic Grants to States	20-C1	84.048	168,171		163,996	
Safe and Drug-Free Schools and Communities	DR-S1	84.186	38,203		26,403	
State Grants for Innovative Programs	C2-S1	84.298	19,770		16,571	
Education Technology State Grants	TJ-S1	84.318	9,831		4,141	
English Language Acquisition	T3-S1	84.365	36,192		35,119	
Improving Teacher Quality	TR-S1	84.367	304,277		276,350	
Hurricane Education Recovery	HR-01	84.938	6,000		6,000	
Total U.S. Department of Education			<b>4,166,124</b>		<b>4,321,018</b>	
<b>Total</b>			<b>\$5,233,957</b>	<b>\$184,402</b>	<b>\$5,388,851</b>	<b>\$184,402</b>

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

**NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – MATCHING REQUIREMENTS**

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

**NOTE C - CHILD NUTRITION CLUSTER**

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

**NOTE D – FOOD DONATION PROGRAM**

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



# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the District's management in a separate letter dated January 25, 2008.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2007-001 and 2007-002.

We also noted certain noncompliance or other matters that we reported to the District's management in a separate letter dated January 25, 2008.

We intend this report solely for the information and use of the audit committee, management, Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

January 25, 2008





# Mary Taylor, CPA

## Auditor of State

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

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

To the Board of Education:

#### Compliance

We have audited the compliance of Northwest Local School District, Hamilton County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2007.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report that we have reported to the District's management in a separate letter dated January 25, 2008.

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

We have also audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2007, and have issued our report thereon dated January 25, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

January 25, 2008

NORTHWEST LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2007

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Child Nutrition Cluster: CFDA #10:553 & 10.555 Special Education Cluster: CFDA #84.027 & 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

**FINDING NUMBER 2007-001**

**Material Noncompliance**

**Ohio Rev. Code, § 5705.41(D)(1),\*** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

**A. "Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

**B. Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months). The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**C. Super Blanket Certificate** – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The District did not properly certify the availability of funds for purchase commitments for seventy eight of one hundred eighty (43%) expenditures tested for 2007 and none of the exceptions above applied. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the District uses the exceptions noted above, prior certification is not only required by statute but also is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the Treasurer certify that funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used.

**FINDING NUMBER 2007-001  
 (Continued)**

We recommend the District certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Treasurer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**Officials Response:**

We did not receive a reponse from officials to the finding.

**FINDING NUMBER 2007-002**

**Material Noncompliance**

**Ohio Rev. Code, § 5705.41(B)**, states that no subdivision shall make any expenditure of money unless it has been appropriated as provided in such chapter. Expenditures plus encumbrances exceeded appropriations for the following funds at June 30, 2007:

<b>Fund</b>	<b>Expenditures (Including Encumbrances)</b>	<b>Appropriations Plus Prior Year Carryover</b>	<b>Variance</b>
401-Auxiliary Services	2,544,679	2,316,589	(228,090)
432-EMIS	42,778	35,000	(7,778)
452-School Net	9,008	8,000	(1,008)
459-Ohio Reads	34,087	20,000	(14,087)
494-Poverty Base	128,863	125,700	(3,163)
499-Entry Year	42,230	36,000	(6,230)
516-IDEA	2,878,635	2,590,000	(288,635)
524-Vocational Ed.	168,171	166,000	(2,171)
551-Title III	35,221	19,000	(16,221)
584-Title IV	35,929	33,699	(2,230)
587-Special Education	45,081	0	(45,081)
590-Title II-A	280,052	270,720	(9,332)

The Treasurer may request the Board to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**Officials Response:**

We did not receive a reponse from officials to the finding.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**



**NORTHWEST LOCAL SCHOOL DISTRICT  
CINCINNATI, OHIO**





**NORTHWEST LOCAL SCHOOL DISTRICT  
CINCINNATI, OHIO**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**PREPARED BY:  
OFFICE OF THE TREASURER  
LARRY McDONOUGH, TREASURER**

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## **INTRODUCTORY SECTION**

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# NORTHWEST LOCAL SCHOOL DISTRICT

3240 BANNING ROAD

CINCINNATI, OHIO 45239

513-923-1000

FAX: 513-923-3644

## BOARD MEMBERS

BRUCE J. GEHRING — PRESIDENT  
SUZANNE LEKSON, M.D.— VICE PRESIDENT  
PAMELA DETZEL— MEMBER  
DR. CHRISTOPHER J. HEATHER —MEMBER  
FREDERICK E. HUNT — MEMBER

J. RICHARD GLATFELTER - SUPERINTENDENT  
LARRY A. MCDONOUGH - TREASURER

*January 25, 2008*

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

The Comprehensive Annual Financial Report [CAFR] of the Northwest Local School District [District] for the fiscal year ended June 30, 2007, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Auditor of State and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the Northwest Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

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

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

### ***ECONOMIC CONDITION AND OUTLOOK***

The District is located in southwestern Ohio, in a suburb of Cincinnati, in the north part of Hamilton County. Approximately 82% of the District's tax base are agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains very positive with low unemployment rates, growth in the local tax base, and low inflationary pressures.



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

***THE DISTRICT AND ITS FACILITIES***

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

The District now houses 10,370 students in two high schools, three middle schools, nine elementary schools and two career centers. Each high school has an on-campus career center offering such programs as word processing, accounting and computing, data processing, diesel mechanics, machine tool technology, facilities management and electronics. The District is the only local school district in Hamilton County with its own vocational program.

<b><i>Constructed</i></b>	<b><i>School/Address</i></b>	<b><i>October, 2006 Enrollment</i></b>
1923	Colerain Elementary 4850 Poole Road	668
1932	Colerain Middle School 4700 Poole Road	720
1959	Struble Elementary 2760 Jonrose Avenue	405
1960	Taylor Elementary 3173 Springdale Road	493

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2006 Enrollment</i>
1961	White Oak Middle School 3130 Jessup Road	773
1961	Pleasant Run Elementary 11765 Hamilton Avenue	500
1964	Colerain High School 8801 Cheviot Road	2,215
1965	Weigel Elementary 3242 Banning Road	502
1966	Houston Elementary 3310 Compton Road	422
1969	Pleasant Run Middle 11770 Pippin Road	879
1970	Bevis Elementary 10133 Pottinger Road	490
1972	Northwest High School 10761 Pippin Road	1,213
1977	Welch Elementary 12084 Deerhorn Drive	372
2000	Monfort Heights Elementary 3711 West Fork Road	718

#### ***ORGANIZATION OF THE SCHOOL DISTRICT***

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

The Board members represent a cross section of professions in the community. The board members on June 30, 2007, were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Pam Detzel	January, 1998	December, 2009	Administrative Assistant
Bruce Gehring	January, 2006	December, 2009	Business Executive
Christopher Heather	January, 2002	December, 2007	Entrepreneur
Fred E. Hunt, III	November, 2004	December, 2009	Business Executive
Suzanne Lekson	July, 2006	December, 2007	Consultant

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Richard Glatfelter was appointed Superintendent in 2006. Mr. Glatfelter received his Bachelor of Science in Education from the University of Cincinnati and earned two Master degrees from the University of Cincinnati. He has been employed by the Northwest Local School District for the past 37 years. During this tenure, Mr. Glatfelter has served as a teacher, assistant principal, administrative assistant, director and assistant superintendent.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mr. Larry A. McDonough was appointed Treasurer of the District in January, 2007. Mr. McDonough holds a B.B.A. Degree from the University of Cincinnati.

***EMPLOYEE RELATIONS***

The District currently has approximately 1,244 full-time and 72 part-time employees. The number of employees has been steady for the last several years. During the 2007 fiscal year, the District paid, from its General Fund \$49,807,108 in salaries and wages, and \$15,540,165 in fringe benefits, such as retirement contributions, workers’ compensation, and life and health benefits.

The District’s teachers are represented for collective bargaining purposes by the Northwest Association of Educators [NAE]. The District has a three year collective bargaining agreement with NAE which expires August 31, 2009. The District’s transportation employees are represented for collective bargaining purposes by the Ohio Association of Public School Employees [OAPSE]. The District has a three year collective bargaining agreement with OAPSE which expires June 30, 2010.

## ***SERVICES PROVIDED***

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

Transportation is provided for over 9,236 students each day. The District fleet of 102 buses travels over 6,014 miles each day transporting to 27 different sites. In addition to making more than 516 daily runs, the department transported both public and non-public students on 1,669 extra-curricular trips during the year.

The food service department served 913,455 plate lunches through the District's 14 kitchens. This is accomplished through the full operation of 12 kitchens and 2 satellite sites, as well as a central bakery. The District currently offers a breakfast program at three elementary sites and one middle school sites.

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

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

The District offers regular instructional programs daily to students in grades K-12. There are approximately 493 students in the specific trades through career technical education. Over 1,399 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 322 students participated in the gifted program. The District presented 747 high school diplomas in 2007.

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

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

### **Mission**

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

### **Vision**

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

### Beliefs

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

### CHALLENGES FOR 2007-2008 AND BEYOND

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

### DISTRICT GOALS FOR 2007-2008

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

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

Expand academic intervention programs to have a positive impact on AYP targets, disproportionality and graduation rate.

Expand academic enrichment programs to have a positive impact on the percentage of advanced and accelerated scores at the district and building level.

Provide quality staff development opportunities per ODE guidelines and based on building or district needs. Ensure a respectful classroom for all students.

*Goal 2: Ensure alignment of district curriculum and classroom instruction with the Ohio Academic Content standards and achievement/graduation tests.*

- Monitor standards implementation through the use of lesson plan evaluation process for both daily and long range plans.
- Use data from district assessments, walkthroughs and classroom observations to ensure standards-based instruction in every classroom.

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

- Use data to determine academic placement and programming for students.
- Use quantitative and qualitative data to evaluate the effectiveness of programs and instructional strategies.
- Use formative assessments to guide daily instruction and intervention, and opportunities for intervention and enrichment.

*Goal 4. Ensure the financial stability of the district.*

- Conduct long term studies in the areas of district reconfiguration, Career Technology Center programming, outsourcing of services and financial planning.
- Reduce district expenditures through sound fiscal management.

### **CURRICULUM AND INSTRUCTION**

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

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

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

The high schools have refined their block-scheduling program to provide more time for some students to accomplish the challenging standards necessary for passage of the Ohio Graduation Test. Collaboratives, academies and guided study halls are in place to provide necessary intervention for ninth and tenth graders.

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

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

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

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

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

The District maintains a five year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance check list. This five year plan provides the District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection of costs for these projects. Beginning in the Spring of 2008, the District will undertake a \$16,000,000, five year renovation program.

### ***FINANCIAL INFORMATION***

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

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

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

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



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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are 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; necessary funds are then encumbered and purchase orders are released to vendors.

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

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

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

## ***FINANCIAL CONDITION***

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

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

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

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

As part of this report, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2007 and the outlook for the future.

### ***CASH MANAGEMENT***

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of earnings on investments was \$1,281,757 for the year ended June 30, 2007.

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

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

### ***RISK MANAGEMENT***

The District constantly faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. Generally, the District shifts the burden of such losses by entering into a casualty insurance contract whereby an insurance company, in consideration of a premium payment, assumes the risk of all or a portion of these losses.

The Cincinnati Insurance Company provides insurance coverage on the buildings and contents, boiler and machinery, burglary/robbery/theft (inside and outside), earthquake, mobile instruction units, and radio and communication equipment. The Ohio School Plan provides our liability insurance and insures our fleet of vehicles.

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

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

## ***INDEPENDENT AUDIT***

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

## ***AWARDS***

### *GFOA Certificate of Achievement*

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

### *ASBO Certificate*

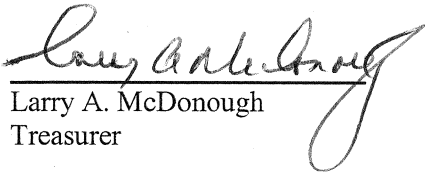
The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2006. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2007, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

***ACKNOWLEDGEMENTS***

The preparation of the 2007 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the District's Finance Department and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,

  
Larry A. McDonough  
Treasurer

**LIST OF PRINCIPAL OFFICIALS**  
*As of June 30, 2007*

**ELECTED OFFICIALS**

Bruce Gehring..... President, Board of Education  
Suzanne Lekson..... Vice-President, Board of Education  
Pamela Detzel..... Board Member  
Christopher Heather..... Board Member  
Fred E. Hunt, III..... Board Member

**ADMINISTRATIVE OFFICE PERSONNEL**

J. Richard Glatfelter..... Superintendent  
Judith Vermillion..... Assistant Superintendent for Curriculum  
Mark Farmer..... Director of Curriculum Services  
Lester I. Tacy..... Assistant Superintendent of Business Services  
Debra Hopper..... Director of Staff Development  
Gregory Hester..... Director of Student Services  
Diane Brunzman..... Director of Human Resources  
Larry A. McDonough..... Treasurer

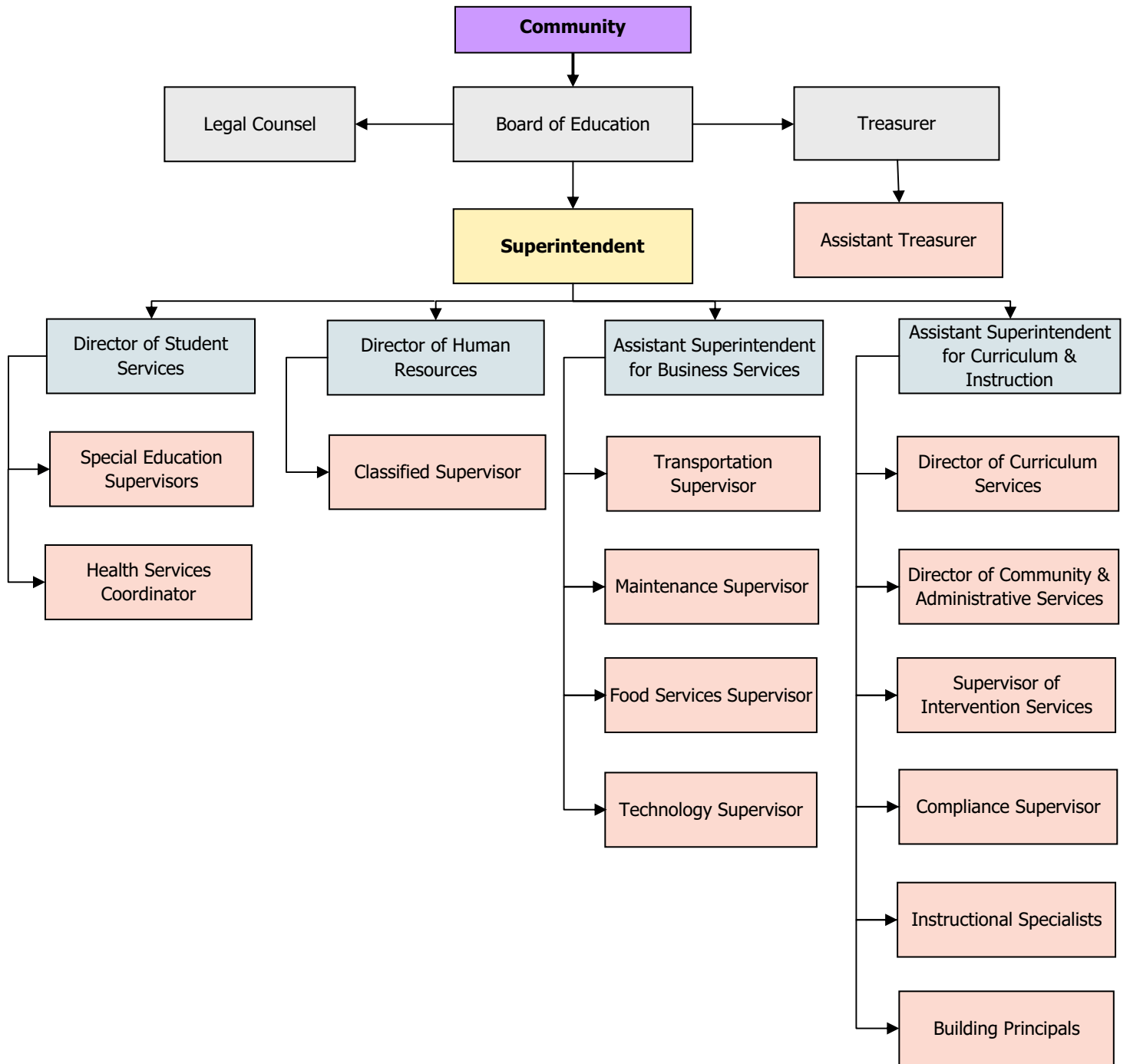
**DISTRICT SUPERVISORS**

Andreas Scheidt..... Maintenance  
Robert Engel..... Transportation  
LaDonna Stouder..... Technology  
Mary Barnaclo..... Special Education  
Kimberly Jones..... Special Education  
Barbara Kalbli..... Special Education  
Frances Morrison..... Supervisor of Intervention Services  
Dennis Carroll..... Systems Manager/Data Processing  
Cheryl Romans..... Food Service  
Grace Seurkamp..... Classified Employees  
Terry Stephens..... Assistant Treasurer  
Daniel Hudson..... Enrollment and Compliance Supervisor

***CURRICULUM INSTRUCTIONAL SPECIALISTS AND COORDINATORS***

Jennifer Blust ..... Early Childhood  
Mary Geisen ..... Title I  
Karen Burke ..... Elementary  
Patricia Coon-Knochelmann ..... Elementary  
Linda Dawes ..... Elementary  
Reena Fish ..... Work-Study  
Cherie Maue ..... Health Services  
Kelli Hasselbeck ..... Elementary  
Barbara Hill ..... Early Childhood  
Jennifer Klein ..... Middle  
Paul Lorenz ..... Career and Technical  
Emily O'Mahoney-Higgins ..... Elementary  
Kristen Rojas ..... Gifted  
Lani Wildow ..... Senior High  
Chris Rabold ..... Elementary Library

# Northwest Local School District Organizational Chart as of June 30, 2007



# 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, 2006

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



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director



Association of School Business Officials International



**This Certificate of Excellence in Financial Reporting**  
*is presented to*  
**NORTHWEST LOCAL SCHOOL DISTRICT**  
**For its Comprehensive Annual Financial Report (CAFR)**  
**For the Fiscal Year Ended June 30, 2006**

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

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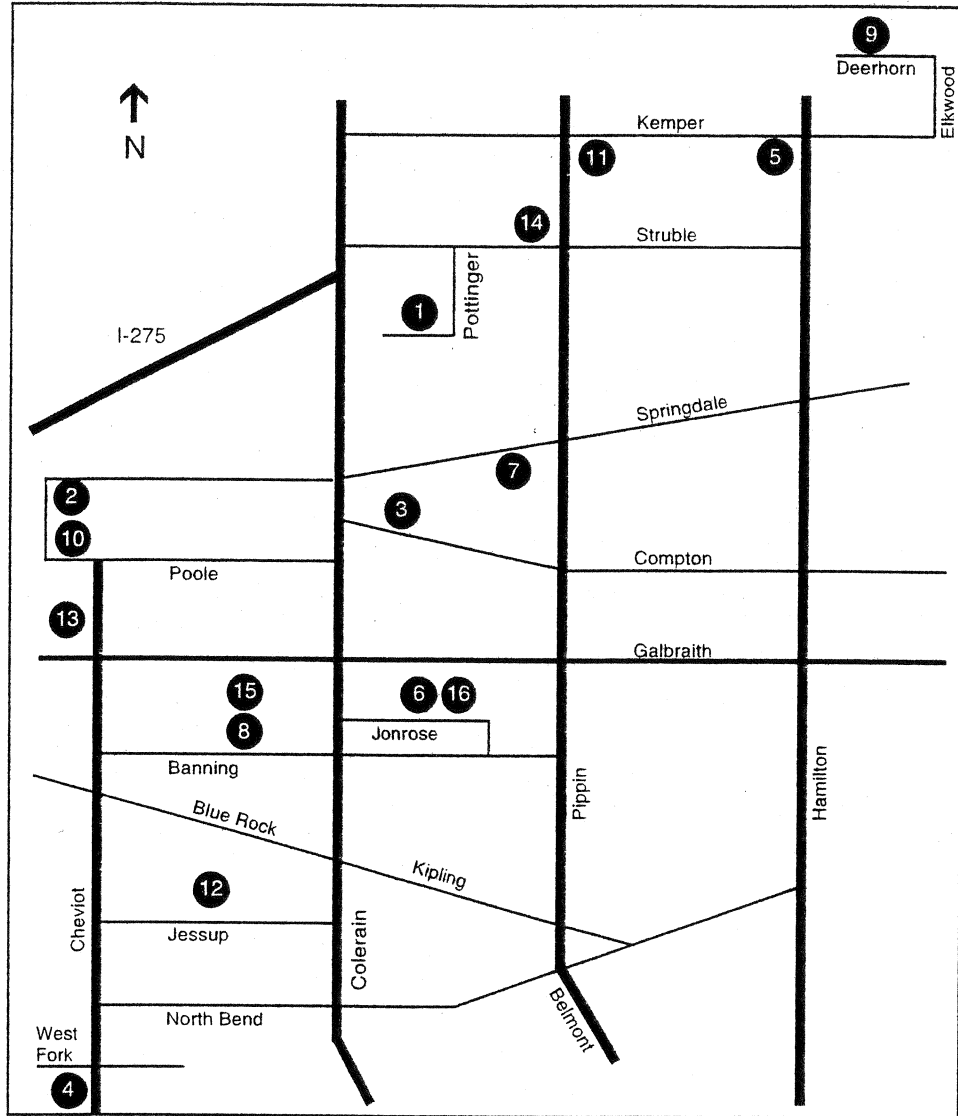
President

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Executive Director

## SCHOOL DISTRICT MAP



### Northwest Directory

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



## **FINANCIAL SECTION**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Northwest Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Northwest Local School District, Hamilton County, Ohio, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and the General Fund budgetary comparison are not a required part of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

**Mary Taylor, CPA**  
Auditor of State

January 25, 2008

**NORTHWEST LOCAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year ended June 30, 2007  
(Unaudited)**

The discussion and analysis of Northwest Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

**Financial Highlights**

Key financial highlights for 2007 are as follows:

- Total net assets of governmental activities decreased \$408,953 which represents 1.6% decrease from 2006.
- General revenues accounted for \$76,772,250 in revenue or 83.4% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$15,276,437 or 16.6% of total revenues of \$92,048,687.
- The District had \$92,457,640 in expenses related to governmental activities; only \$15,276,437 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$76,772,250 were adequate to provide for these programs.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**Government-wide Financial Statements**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2007?" The *Government-wide Financial Statements* answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

### **Fund Financial Statements**

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

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

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

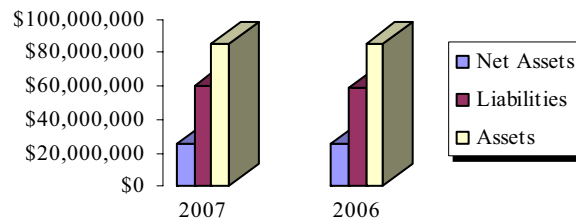


## The District as a Whole

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

Table 1 provides a summary of the District's net assets for 2007 compared to 2006:

	Governmental Activities	
	2007	2006
<b>Assets</b>		
Current Assets	\$61,261,806	\$59,672,797
Capital Assets	24,087,189	25,170,816
<b>Total Assets</b>	<b>85,348,995</b>	<b>84,843,613</b>
<b>Liabilities</b>		
Long-Term Liabilities	25,869,090	26,322,287
Other Liabilities	34,294,511	32,926,979
<b>Total Liabilities</b>	<b>60,163,601</b>	<b>59,249,266</b>
<b>Net Assets</b>		
<b>Invested in Capital</b>		
Assets Net of Debt	2,440,916	3,063,084
Restricted	4,812,592	4,911,775
Unrestricted	17,931,886	17,619,488
<b>Total Net Assets</b>	<b>\$25,185,394</b>	<b>\$25,594,347</b>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the District's assets exceeded liabilities by \$25,185,394.

At year-end, capital assets represented 28.2% of total assets. Capital assets include land, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2007, was \$2,440,916. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$4,812,592, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$17,931,886 may be used to meet the District's ongoing obligations to the students and creditors.

Current and other assets increased mainly due to an increase in taxes receivable. The increase in taxes receivable was the result of an increase in anticipated property taxes revenue to be received in fiscal year 2008. The increase in taxes receivable resulted in an increase in unearned revenue, which explains the increase in other liabilities in 2007 as compared to 2006.

Table 2 shows the change in net assets for fiscal year 2007 compared to 2006.

Table 2  
Changes in Net Assets

	Governmental Activities	
	2007	2006 Reclassed
Revenues		
Program Revenues:		
Charges for Services	\$4,244,843	\$4,202,987
Operating Grants	10,858,280	10,407,779 *
Capital Grants	173,314	269,047
General Revenue:		
Property Taxes	41,580,395	40,771,059
Grants and Entitlements	31,552,624	31,520,219 *
Other	3,639,231	3,729,075
Total Revenues	<u>92,048,687</u>	<u>90,900,166</u>
Program Expenses:		
Instruction	49,828,614	48,903,070
Support Services:		
Pupil and Instructional Staff	10,690,778	10,511,369
General and School Administrative, Fiscal and Business	8,202,520	7,871,341
Operations and Maintenance	8,033,869	8,272,465
Pupil Transportation	4,819,635	4,589,238
Central	1,272,167	1,211,509
Community Services	2,766,380	2,734,511
Operation of Non-Instructional Services	3,919,969	3,800,692
Extracurricular Activities	1,915,193	1,821,170
Interest and Fiscal Charges	1,008,515	1,529,534
Total Expenses	<u>92,457,640</u>	<u>91,244,899</u>
Change in Net Assets	(408,953)	(344,733)
Beginning Net Assets	<u>25,594,347</u>	<u>25,939,080</u>
Ending Net Assets	<u><u>\$25,185,394</u></u>	<u><u>\$25,594,347</u></u>

\* - The District re-classed a portion of Grants and Entitlements (special, vocational, and pupil transportation) of the foundation to Operating Grants and Contributions.

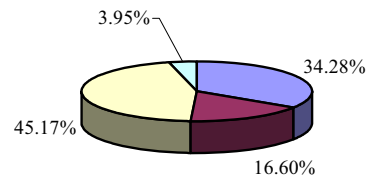
**Governmental Activities**

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 79.5% of the District’s revenues for governmental activities.

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

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 45.1% of revenue for governmental activities for the District in fiscal year 2007. The District’s reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2007	Percent of Total
General Grants	\$31,552,624	34.28%
Program Revenues	15,276,437	16.60%
General Tax Revenues	41,580,395	45.17%
Other Revenues	3,639,231	3.95%
	<u>\$92,048,687</u>	<u>100.00%</u>



Instruction comprises 53.9% of governmental program expenses. Support services expenses were 38.7% of governmental program expenses. Interest and all other expenses were 7.4%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

General revenues increased mainly due to an increase in property tax revenue, which was primarily due to an increase in property tax collections in 2007 as compared to 2006. Total expenses increased mainly due to general inflationary costs.

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

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006 Reclassed
Instruction	\$49,828,614	\$48,903,070	(\$43,542,857)	(\$42,885,809)
Support Services:				
Pupil and Instructional Staff	10,690,778	10,511,369	(9,371,433)	(8,901,906)
General and School Administrative, Fiscal and Business	8,202,520	7,871,341	(7,779,820)	(7,515,623)
Operations and Maintenance	8,033,869	8,272,465	(7,970,747)	(8,217,156)
Pupil Transportation	4,819,635	4,589,238	(4,347,120)	(4,045,584)
Central	1,272,167	1,211,509	(1,237,611)	(1,180,578)
Community Services	2,766,380	2,734,511	(80,930)	(323,756)
Operation of Non-Instructional Services	3,919,969	3,800,692	(598,875)	(575,188)
Extracurricular Activities	1,915,193	1,821,170	(1,243,295)	(1,189,952)
Interest and Fiscal Charges	1,008,515	1,529,534	(1,008,515)	(1,529,534)
<b>Total Expenses</b>	<b>\$92,457,640</b>	<b>\$91,244,899</b>	<b>(\$77,181,203)</b>	<b>(\$76,365,086)</b>

**The District's Funds**

The District has one major governmental fund: the General Fund. Assets of the General Fund comprised \$54,199,087 (88.8%) of the total \$61,064,786 governmental funds assets.

**General Fund:** Fund balance at June 30, 2007 was \$18,269,983 including \$5,028,757 of unreserved balance. The primary reason for the decrease in fund balance was due to an increase in support services expenses.

**General Fund Budgeting Highlights**

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

During the course of fiscal 2007, the District amended its general fund budget one time, however, it was not significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, budget basis revenue was \$79,223,322, compared to original budget estimates of \$78,603,441. The District's ending unobligated cash balance was \$4,978,862 above the final budgeted amount. Of the \$619,881 difference, most was due to conservative estimates for taxes and intergovernmental revenue.

## Capital Assets and Debt Administration

### Capital Assets

At the end of fiscal 2007, the District had \$24,087,189 invested in land, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal 2007 balances compared to fiscal 2006:

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

	Governmental Activities	
	2007	2006
Land	\$3,926,125	\$3,926,125
Buildings and Improvements	18,117,752	18,977,345
Furniture and Equipment	898,235	756,695
Vehicles	1,145,077	1,510,651
Total Net Capital Assets	<u>\$24,087,189</u>	<u>\$25,170,816</u>

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

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

### Debt

At June 30, 2007, the District had \$21,646,273 in bonds outstanding, \$790,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5  
Outstanding Debt, at Year End

	Governmental Activities	
	2007	2006
Refunded Bonds: Current Interest Bonds	\$14,625,000	\$14,660,000
Refunded Bonds: Capital Appreciation Bonds	796,583	756,667
Premium on Bonds: Capital Appreciation	529,690	566,220
1998 School Improvements	5,695,000	6,335,000
Total Bonds	<u>\$21,646,273</u>	<u>\$22,317,887</u>

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

## **For the Future**

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

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

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

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

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

Northwest Local School District  
Statement of Net Assets  
June 30, 2007

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$18,003,808
Receivables:	
Taxes	42,629,461
Accounts	41,399
Interest	31,534
Intergovernmental	326,978
Deferred Bond Issuance Costs	197,020
Inventory	31,606
Nondepreciable Capital Assets	3,926,125
Depreciable Capital Assets, Net	<u>20,161,064</u>
 Total Assets	 <u>85,348,995</u>
Liabilities:	
Accounts Payable	57,273
Accrued Wages and Benefits	7,815,325
Accrued Interest Payable	81,624
Unearned Revenue	26,340,289
Long-Term Liabilities:	
Due Within One Year	1,814,858
Due In More Than One Year	<u>24,054,232</u>
 Total Liabilities	 <u>60,163,601</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	2,440,916
Restricted for:	
Special Revenue	682,442
Debt Service	1,696,184
Capital Projects	2,433,966
Unrestricted	<u>17,931,886</u>
 Total Net Assets	 <u>\$25,185,394</u>

See accompanying notes to the basic financial statements.

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Northwest Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2007

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$37,587,464	\$711,349	\$293,264	\$42,000	(\$36,540,851)
Special	9,073,161	234,176	3,926,776	0	(4,912,209)
Vocational	1,980,228	0	385,874	0	(1,594,354)
Student Intervention	1,187,761	551,551	140,767	0	(495,443)
Support Services:					
Pupil	4,850,602	11,279	864,269	0	(3,975,054)
Instructional Staff	5,840,176	0	443,797	0	(5,396,379)
General Administration	281,111	0	0	0	(281,111)
School Administration	5,855,802	0	422,700	0	(5,433,102)
Fiscal	1,558,363	0	0	0	(1,558,363)
Business	507,244	0	0	0	(507,244)
Operations and Maintenance	8,033,869	50,200	12,922	0	(7,970,747)
Pupil Transportation	4,819,635	0	341,201	131,314	(4,347,120)
Central	1,272,167	0	34,556	0	(1,237,611)
Community Services	2,766,380	0	2,685,450	0	(80,930)
Operation of Non-instructional Services	3,919,969	2,014,390	1,306,704	0	(598,875)
Extracurricular Activities	1,915,193	671,898	0	0	(1,243,295)
Interest and Fiscal Charges	1,008,515	0	0	0	(1,008,515)
Total Governmental Activities	<u>\$92,457,640</u>	<u>\$4,244,843</u>	<u>\$10,858,280</u>	<u>\$173,314</u>	<u>(77,181,203)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	40,052,554
Debt Service Purposes	1,527,841
Grants and Entitlements not Restricted to Specific Programs	31,552,624
Payment in Lieu of Taxes	1,353,248
Unrestricted Contributions	201,670
Investment Earnings	1,281,757
Refunds and Reimbursements	461,544
Other Revenues	341,012

Total General Revenues 76,772,250

Change in Net Assets (408,953)

Net Assets Beginning of Year 25,594,347

Net Assets End of Year \$25,185,394

See accompanying notes to the basic financial statements.

Northwest Local School District  
Balance Sheet  
Governmental Funds  
June 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$13,174,397	\$4,829,411	\$18,003,808
Receivables:			
Taxes	40,959,165	1,670,296	42,629,461
Accounts	33,991	7,408	41,399
Interest	31,534	0	31,534
Intergovernmental	0	326,978	326,978
Inventory	0	31,606	31,606
<b>Total Assets</b>	<b><u>\$54,199,087</u></b>	<b><u>\$6,865,699</u></b>	<b><u>\$61,064,786</u></b>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$37,787	\$19,486	\$57,273
Accrued Wages and Benefits	7,190,124	625,201	7,815,325
Compensated Absences	567,028	48,556	615,584
Deferred Revenue	28,134,165	1,284,071	29,418,236
<b>Total Liabilities</b>	<b><u>35,929,104</u></b>	<b><u>1,977,314</u></b>	<b><u>37,906,418</u></b>
Fund Balances:			
Reserved for Encumbrances	416,226	441,930	858,156
Reserved for Inventory	0	31,606	31,606
Reserved for Property Tax Advances	12,825,000	508,000	13,333,000
Unreserved, Undesignated, Reported in:			
General Fund	5,028,757	0	5,028,757
Special Revenue Funds	0	278,371	278,371
Debt Service Fund	0	1,194,512	1,194,512
Capital Projects Funds	0	2,433,966	2,433,966
<b>Total Fund Balances</b>	<b><u>18,269,983</u></b>	<b><u>4,888,385</u></b>	<b><u>23,158,368</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$54,199,087</u></b>	<b><u>\$6,865,699</u></b>	<b><u>\$61,064,786</u></b>

See accompanying notes to the basic financial statements.

Northwest Local School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 June 30, 2007

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Total Governmental Fund Balance \$23,158,368

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

Capital assets used in governmental activities are not financial  
 resources and therefore are not reported in the funds. 24,087,189

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

Payments in Lieu of Taxes	947,027	
Delinquent Property Taxes	2,009,145	
Intergovernmental	<u>121,775</u>	
		3,077,947

In the statement of net assets interest payable is accrued when  
 incurred, whereas in the governmental funds interest is  
 reported as a liability only when it will require the use of  
 current financial resources. (81,624)

Some liabilities reported in the statement of net assets do not  
 require the use of current financial resources and therefore  
 are not reported as liabilities in governmental funds.

Compensated Absences	<u>(3,607,233)</u>	
		(3,607,233)

Deferred bond issuance cost associated with long-term liabilities  
 are not reported in the funds. 197,020

Long-term liabilities, are not due and payable in the current  
 period and therefore are not reported in the funds. (21,646,273)

Net Assets of Governmental Activities \$25,185,394

See accompanying notes to the basic financial statements.

Northwest Local School District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$38,118,705	\$1,452,545	\$39,571,250
Revenue in lieu of taxes	2,159,741	0	2,159,741
Tuition and Fees	924,909	0	924,909
Investment Earnings	1,255,203	26,554	1,281,757
Intergovernmental	34,219,648	8,461,643	42,681,291
Extracurricular Activities	0	500,925	500,925
Charges for Services	842,418	2,014,390	2,856,808
Other Revenues	972,372	0	972,372
<b>Total Revenues</b>	<b>78,492,996</b>	<b>12,456,057</b>	<b>90,949,053</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	36,621,301	485,166	37,106,467
Special	6,916,501	2,020,701	8,937,202
Vocational	1,902,934	21,609	1,924,543
Student Intervention	1,206,366	6,000	1,212,366
<b>Support Services:</b>			
Pupil	3,844,693	952,200	4,796,893
Instructional Staff	5,442,215	390,245	5,832,460
General Administration	281,111	0	281,111
School Administration	5,504,930	401,120	5,906,050
Fiscal	1,674,640	20,911	1,695,551
Business	512,931	0	512,931
Operations and Maintenance	7,945,279	10,943	7,956,222
Pupil Transportation	4,547,102	37,631	4,584,733
Central	1,146,475	42,778	1,189,253
Community Services	250,489	2,513,448	2,763,937
Operation of Non-instructional Services	524,525	3,363,354	3,887,879
Extracurricular Activities	1,214,892	518,789	1,733,681
<b>Debt Service:</b>			
Principal Retirement	0	675,000	675,000
Interest and Fiscal Charges	0	994,495	994,495
<b>Total Expenditures</b>	<b>79,536,384</b>	<b>12,454,390</b>	<b>91,990,774</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(1,043,388)</b>	<b>1,667</b>	<b>(1,041,721)</b>
<b>Other Financing Sources:</b>			
Proceeds from Sale of Capital Assets	31,856	0	31,856
<b>Total Other Financing Sources</b>	<b>31,856</b>	<b>0</b>	<b>31,856</b>
<b>Net Change in Fund Balance</b>	<b>(1,011,532)</b>	<b>1,667</b>	<b>(1,009,865)</b>
<b>Fund Balance Beginning of Year</b>	<b>19,281,515</b>	<b>4,886,718</b>	<b>24,168,233</b>
<b>Fund Balance End of Year</b>	<b>\$18,269,983</b>	<b>\$4,888,385</b>	<b>\$23,158,368</b>

See accompanying notes to the basic financial statements.

Northwest Local School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2007

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Net Change in Fund Balance - Total Governmental Funds ( \$1,009,865)

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

Governmental funds report capital asset additions as expenditures.  
 However, in the statement of activities, the cost of those assets is  
 allocated over their estimated useful lives as depreciation  
 expense. This is the amount of the difference between capital  
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$377,778	
Depreciation Expense	<u>(1,461,405)</u>	(1,083,627)

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

Payments in Lieu of Taxes	947,027	
Delinquent Property Taxes	255,625	
Intergovernmental	(97,074)	
Accounts Receivable	<u>(37,800)</u>	1,067,778

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 675,000

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. 2,501

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

Compensated Absences	(44,219)	
Amortization of Bond Issuance Cost	(13,135)	
Amortization of Bond Premium	36,530	
Bond Accretion	<u>(39,916)</u>	<u>(60,740)</u>

Change in Net Assets of Governmental Activities: (\$408,953)

See accompanying notes to the basic financial statements.

Northwest Local School District  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
June 30, 2007

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$163,129</u>
Total Assets	<u><u>163,129</u></u>
Liabilities:	
Accounts Payable	391
Other Liabilities	<u>162,738</u>
Total Liabilities	<u><u>\$163,129</u></u>

See accompanying notes to the basic financial statements.

**NORTHWEST LOCAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2007**

**1. DESCRIPTION OF THE DISTRICT**

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

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

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

The District currently has 10,370 students enrolled in nine elementary schools, three middle schools, and two senior high schools. The District has two career centers serving junior and senior students. There are 734 certificated employees and 510 non-certificated employees to provide services to the students. The District is the second largest local and the 10<sup>th</sup> largest of all school districts in Ohio.

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

**REPORTING ENTITY**

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

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

The following activities are included within the reporting entity:

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **FUND ACCOUNTING**

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

#### **Governmental Funds**

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

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

#### **Fiduciary Funds**

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



## **MEASUREMENT FOCUS**

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

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

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

### **Fund Financial Statements**

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

## **BASIS OF ACCOUNTING**

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

## Revenues – Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 4.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

### Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

### Unearned Revenue

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

### Payment in Lieu of Taxes

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

### Expenses/Expenditures

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

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

## **EQUITY IN POOLED CASH AND INVESTMENTS**

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

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during the current fiscal year amounted to \$1,255,203 credited to the general fund and \$26,554 credited to other governmental funds.

## **INVENTORY**

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

## **CAPITAL ASSETS**

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

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

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

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

### **COMPENSATED ABSENCES**

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

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

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

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

<b><u>VACATION</u></b>	<b><u>CERTIFIED</u></b>	<b><u>ADMINISTRATORS</u></b>	<b><u>NON-CERTIFICATED</u></b>
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	80 days	80 days
Termination Entitlement	Not applicable	As earned	As earned
<b><u>SICK LEAVE</u></b>	<b><u>CERTIFIED</u></b>	<b><u>ADMINISTRATORS</u></b>	<b><u>NON-CERTIFICATED</u></b>
How earned	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)
Maximum Accumulation	232 days	262 days	232 to 272 days according to job classification
Vested	As earned	As earned	As earned
Termination Entitlement	Per contract	Per contract	Per contract

## **NET ASSETS**

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the \$4,812,592 in restricted net assets, none were restricted by enabling legislation.

## **INTERFUND ACTIVITY**

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

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

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

## **FUND EQUITY**

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

## **ESTIMATES**

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

### **3. EQUITY IN POOLED CASH AND INVESTMENTS**

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

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

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

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

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

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

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

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

## **Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pooled securities. As of June 30, 2007, \$18,710,416 of the District's bank balance of \$19,110,416 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

## **Investments**

As of June 30, 2007, the District held no investments.

## **4. PROPERTY TAXES**

Real property taxes collected in 2007 were levied in April on the assessed values as of January 1, 2006, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent re-evaluation was completed in January, 2006.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). In 2007, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

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

Real property taxes are payable annually or semi-annually. In 2006, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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



Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at fiscal year end. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2007, was \$12,825,000 for General Fund and \$508,000 for Other Government Funds, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2007 operations.

## 5. RECEIVABLES

Receivables at June 30, 2007, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

## 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$3,926,125	\$0	\$0	\$3,926,125
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	48,328,949	0	0	48,328,949
Furniture and Equipment	6,081,356	377,778	5,647	6,453,487
Vehicles	5,632,040	0	0	5,632,040
Totals at Historical Cost	<u>63,968,470</u>	<u>377,778</u>	<u>5,647</u>	<u>64,340,601</u>
Less Accumulated Depreciation:				
Buildings and Improvements	29,351,604	859,593	0	30,211,197
Furniture and Equipment	5,324,661	236,238	5,647	5,555,252
Vehicles	4,121,389	365,574	0	4,486,963
Total Accumulated Depreciation	<u>38,797,654</u>	<u>1,461,405</u>	<u>5,647</u>	<u>40,253,412</u>
Governmental Activities Capital Assets, Net	<u>\$25,170,816</u>	<u>(\$1,083,627)</u>	<u>\$0</u>	<u>\$24,087,189</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$766,730
Special	52,676
Vocational	86,049
Support Services:	
Pupil	3,472
Instructional Staff	324
School Administration	29,075
Fiscal	1,675
Business	546
Operations and Maintenance	39,946
Pupil Transportation	355,805
Central	34,554
Community Services	87,727
Extracurricular Activities	2,826
Total Depreciation Expense	<u><u>\$1,461,405</u></u>

## 7. LONG-TERM LIABILITIES

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

	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
1998 School Improvement	\$6,335,000	\$0	\$640,000	\$5,695,000	\$695,000
Refunded Bonds:					
Current Interest Bonds	14,660,000	0	35,000	14,625,000	95,000
Refunded Bonds:					
Capital Appreciation Bonds	720,000	0	0	720,000	0
Accretion of Interest	36,667	39,916	0	76,583	0
Premium on Bonds:					
2005 School Improvement	566,220	0	36,530	529,690	0
Subtotal Bonds	22,317,887	39,916	711,530	21,646,273	790,000
Compensated Absences	4,004,400	1,112,770	894,353	4,222,817	1,024,858
Total Governmental Activities					
Long-Term Liabilities	<u>26,322,287</u>	<u>1,152,686</u>	<u>1,605,883</u>	<u>25,869,090</u>	<u>1,814,858</u>

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

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

The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of approximately \$1.2 million and to obtain in economic gain an amount of \$615,529 for the District.

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

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

The capital appreciation bonds will mature in fiscal year 2016. The final maturity amount of the bonds is \$1,380,000. For fiscal year 2007, a full year of accretion was recorded for the capital appreciation bonds as the issuance date was November 1, 2005.

The following is a summary of the 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
2008	\$790,000	\$961,806	\$1,751,806	\$0	\$0	\$0
2009	845,000	922,668	1,767,668	0	0	\$0
2010	920,000	877,778	1,797,778	0	0	\$0
2011	990,000	829,008	1,819,008	0	0	\$0
2012	1,070,000	775,791	1,845,791	0	0	\$0
2013-2017	5,095,000	3,051,344	8,146,344	720,000	660,000	\$1,380,000
2018-2022	8,555,000	1,523,121	10,078,121	0	0	\$0
2023	2,055,000	46,238	2,101,238	0	0	\$0
Total	<u>\$20,320,000</u>	<u>\$8,987,754</u>	<u>\$29,307,754</u>	<u>\$720,000</u>	<u>\$660,000</u>	<u>\$1,380,000</u>

## **8. PRIOR YEAR DEFEASANCE OF DEBT**

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2007, \$15,380,000 of bonds outstanding are considered defeased.

## **9. PENSION PLANS**

### **SCHOOL EMPLOYEES RETIREMENT SYSTEM**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634, or by calling toll free (800) 878-5853 or by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org).

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14%; 10.58% was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005, were \$1,694,772, \$1,683,730 and \$1,893,980 respectively; 39% has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005.

### **STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090, or by visiting the STRS website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions for pension obligations to STRS for the fiscal year ended June 30, 2007, 2006, and 2005 were \$5,810,000, \$5,626,229 and \$5,868,053 respectively; 98% has been contributed for fiscal year 2007 and 100 percent for the fiscal years 2006 and 2005.

## **10. POST EMPLOYMENT BENEFITS**

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

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The Board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund for which payments for health care benefits are paid. For the District, this amount equaled \$415,000 during the 2007 fiscal year.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS were \$282,743,000 and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status.

For 2007 fiscal year, employer contributions to fund health care benefits were 3.32% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay has been established at \$35,800. However, the surcharge is capped at 2% of each employer's SERS salaries. For the District, this amount equaled \$414,008 during the 2007 fiscal year, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available), were \$158,751,207. SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has approximately 59,192 participants currently receiving health care benefits. SERS had net assets available for payment of health care benefits of \$295.6 million.

## **11. CONTINGENT LIABILITIES**

### **GRANTS**

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

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

## **LITIGATION**

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

## **12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2005, the District contracted with Cincinnati Insurance Company for property and general liability insurance and boiler and machinery insurance.

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

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

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

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

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

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

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

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

### 13. FUND BALANCE RESERVES FOR SET-ASIDES

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside carried forward from June 30, 2006	(\$2,306,099)	\$0
Current Year Set-aside Retirement	1,584,282	1,584,282
Qualifying Disbursements	<u>(1,481,356)</u>	<u>(2,288,414)</u>
Total	<u>(2,203,173)</u>	<u>(704,132)</u>
Set-aside carried forward to FY2008	<u>(\$2,203,173)</u>	<u>\$0</u>

Qualified disbursements and offset credits for capital activity during the year exceeded the amount required for the set-aside. Qualifying disbursements and carryover from prior years for textbooks totaled \$2,306,099, resulting in \$2,203,173 for carryover to offset textbook requirements in future years.

### 14. ACCOUNTABILITY AND COMPLIANCE

#### Accountability

The following funds had a deficit in fund balance:

Special Revenue Funds:	
Poverty Based Assistance	\$186
IDEA B Special Education	145,849

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

#### Compliance

Ohio Rev. Code, § 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The District did not properly certify the availability of funds for purchase commitments for 78 expenditures in 2007.



Ohio Rev. Code, § 5705.41(B), states that no subdivision shall make any expenditure of money unless it has been appropriated. Expenditures plus encumbrances exceeded appropriations for the following fund at June 30, 2007:

Fund	Expenditures Including Encumbrances	Appropriations Plus Prior Year Carryover	Variance
Auxiliary Services	\$2,544,679	\$2,316,589	(\$228,090)
Education Management Information System	42,778	35,000	(7,778)
Ohio SchooNet Professional Development	9,008	8,000	(1,008)
Ohio Reads	34,087	20,000	(14,087)
Entry Year Teacher Grant	42,230	36,000	(6,230)
Poverty Aid	128,863	125,700	(3,163)
IDEA B Special Education	2,878,635	2,590,000	(288,635)
Vocational Education Perkins	168,171	166,000	(2,171)
Title III LEP	35,221	19,000	(16,221)
Drug Free Schools	35,929	33,699	(2,230)
Early Childhood Special Education	45,081	0	(45,081)
Title II-A	280,052	270,720	(9,332)

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$38,782,226	\$39,088,069	\$39,523,705	\$435,636
Revenue in lieu of taxes	2,119,223	2,135,936	2,159,741	23,805
Tuition and Fees	1,065,324	1,073,725	1,085,692	11,967
Investment Earnings	1,218,659	1,228,270	1,241,959	13,689
Intergovernmental	33,600,874	33,865,856	34,243,290	377,434
Charges for Services	835,692	842,283	851,670	9,387
Other Revenues	981,443	989,183	1,000,207	11,024
Total Revenues	78,603,441	79,223,322	80,106,264	882,942
Expenditures:				
Current:				
Instruction:				
Regular	38,510,542	38,510,542	36,631,403	1,879,139
Special	7,296,198	7,296,198	6,940,177	356,021
Vocational	2,075,748	2,075,748	1,974,461	101,287
Student Intervention	1,268,033	1,268,033	1,206,159	61,874
Support Services:				
Pupil	4,074,730	4,074,730	3,875,902	198,828
Instructional Staff	5,711,543	5,711,543	5,432,846	278,697
General Administration	321,735	321,735	306,036	15,699
School Administration	5,687,191	5,687,191	5,409,682	277,509
Fiscal	1,771,285	1,771,285	1,684,854	86,431
Business	586,859	586,859	558,223	28,636
Operations and Maintenance	8,566,452	8,566,452	8,148,448	418,004
Pupil Transportation	4,724,433	4,724,433	4,493,902	230,531
Central	1,263,759	1,263,759	1,202,093	61,666
Community Services	267,758	267,758	254,693	13,065
Operation of Non-Instructional Services	551,405	551,405	524,499	26,906
Extracurricular Activities	1,255,776	1,255,776	1,194,500	61,276
Total Expenditures	83,933,447	83,933,447	79,837,878	4,095,569
Excess of Revenues Over (Under) Expenditures	(5,330,006)	(4,710,125)	268,386	4,978,511
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	31,258	31,505	31,856	351
Total Other Financing Sources (Uses)	31,258	31,505	31,856	351
Net Change in Fund Balance	(5,298,748)	(4,678,620)	300,242	4,978,862
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,420,142	12,420,142	12,420,142	0
Fund Balance End of Year	\$7,121,394	\$7,741,522	\$12,720,384	\$4,978,862

See accompanying notes to the required supplementary information.

**NORTHWEST LOCAL SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended June 30, 2007**

**1. BUDGETARY PROCESS**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2007.

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

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

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

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$1,011,532)
Net Adjustment for Revenue Accruals	1,613,268
Net Adjustment for Expenditure Accruals	152,519
Encumbrances	<u>(454,013)</u>
Budget Basis	<u>\$ 300,242</u>

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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## **FUND DESCRIPTIONS**

### **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

HURRICANE KATRINA RELIEF FUND: To account for federal funds received to support students enrolled which were displaced from Hurricane Katrina.

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

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

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

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

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Northwest Local School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$1,200,933	\$1,194,512	\$2,433,966	\$4,829,411
<b>Receivables:</b>				
Taxes	0	1,670,296	0	1,670,296
Accounts	7,408	0	0	7,408
Intergovernmental	326,978	0	0	326,978
Inventory	31,606	0	0	31,606
<b>Total Assets</b>	<b>\$1,566,925</b>	<b>\$2,864,808</b>	<b>\$2,433,966</b>	<b>\$6,865,699</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$19,486	\$0	\$0	\$19,486
Accrued Wages and Benefits	625,201	0	0	625,201
Compensated Absences	48,556	0	0	48,556
Deferred Revenue	121,775	1,162,296	0	1,284,071
<b>Total Liabilities</b>	<b>815,018</b>	<b>1,162,296</b>	<b>0</b>	<b>1,977,314</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	441,930	0	0	441,930
Reserved for Inventory	31,606	0	0	31,606
Reserved for Property Tax Advances	0	508,000	0	508,000
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	278,371	0	0	278,371
Debt Service Fund	0	1,194,512	0	1,194,512
Capital Projects Funds	0	0	2,433,966	2,433,966
<b>Total Fund Balances</b>	<b>751,907</b>	<b>1,702,512</b>	<b>2,433,966</b>	<b>4,888,385</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,566,925</b>	<b>\$2,864,808</b>	<b>\$2,433,966</b>	<b>\$6,865,699</b>

Northwest Local School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$0	\$1,452,545	\$0	\$1,452,545
Investment Earnings	26,554	0	0	26,554
Intergovernmental	8,247,442	172,201	42,000	8,461,643
Extracurricular Activities	500,925	0	0	500,925
Charges for Services	2,014,390	0	0	2,014,390
<b>Total Revenues</b>	<b>10,789,311</b>	<b>1,624,746</b>	<b>42,000</b>	<b>12,456,057</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	449,316	0	35,850	485,166
Special	2,020,701	0	0	2,020,701
Vocational	21,609	0	0	21,609
Student Intervention	6,000	0	0	6,000
<b>Support Services:</b>				
Pupil	952,200	0	0	952,200
Instructional Staff	390,245	0	0	390,245
School Administration	401,120	0	0	401,120
Fiscal	0	20,911	0	20,911
Operations and Maintenance	10,943	0	0	10,943
Pupil Transportation	37,631	0	0	37,631
Central	42,778	0	0	42,778
Community Services	2,513,448	0	0	2,513,448
Operation of Non-instructional Services	3,363,354	0	0	3,363,354
Extracurricular Activities	518,789	0	0	518,789
<b>Debt Service:</b>				
Principal Retirement	0	675,000	0	675,000
Interest and Fiscal Charges	0	994,495	0	994,495
<b>Total Expenditures</b>	<b>10,728,134</b>	<b>1,690,406</b>	<b>35,850</b>	<b>12,454,390</b>
<b>Net Change in Fund Balance</b>	<b>61,177</b>	<b>(65,660)</b>	<b>6,150</b>	<b>1,667</b>
<b>Fund Balance Beginning of Year</b>	<b>690,730</b>	<b>1,768,172</b>	<b>2,427,816</b>	<b>4,886,718</b>
<b>Fund Balance End of Year</b>	<b>\$751,907</b>	<b>\$1,702,512</b>	<b>\$2,433,966</b>	<b>\$4,888,385</b>

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2007

	Food Service	Underground Storage Tank	Athletic	Auxiliary Services	Education Management Information System
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$365,113	\$11,000	\$136,690	\$401,289	\$33,068
<b>Receivables:</b>					
Accounts	7,408	0	0	0	0
Intergovernmental	0	0	0	0	0
Inventory	31,606	0	0	0	0
<b>Total Assets</b>	<b>\$404,127</b>	<b>\$11,000</b>	<b>\$136,690</b>	<b>\$401,289</b>	<b>\$33,068</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$9,225	\$0	\$192	\$8,120	\$0
Accrued Wages and Benefits	283,055	0	0	5,972	0
Compensated Absences	12,130	0	0	0	0
Deferred Revenue	0	0	0	0	0
<b>Total Liabilities</b>	<b>304,410</b>	<b>0</b>	<b>192</b>	<b>14,092</b>	<b>0</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	0	0	0	393,169	0
Reserved for Inventory	31,606	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	68,111	11,000	136,498	(5,972)	33,068
<b>Total Fund Balances</b>	<b>99,717</b>	<b>11,000</b>	<b>136,498</b>	<b>387,197</b>	<b>33,068</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$404,127</b>	<b>\$11,000</b>	<b>\$136,690</b>	<b>\$401,289</b>	<b>\$33,068</b>

Public Preschool	Ohio SchoolNet Professional Development	Ohio Reads	Entry Year Teacher Grant	Poverty Aid	IDEA B Special Education	Vocational Education Perkins
\$23,016	\$0	\$5,786	\$19,245	\$0	\$20,227	\$4,175
0	0	0	0	0	0	0
0	0	0	0	0	97,590	0
0	0	0	0	0	0	0
<u>\$23,016</u>	<u>\$0</u>	<u>\$5,786</u>	<u>19,245</u>	<u>0</u>	<u>\$117,817</u>	<u>\$4,175</u>
\$0	\$0	\$0	0	\$186	\$0	\$400
21,252	0	0	0	0	227,240	0
0	0	0	0	0	36,426	0
0	0	0	0	0	0	0
<u>21,252</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>186</u>	<u>263,666</u>	<u>400</u>
0	0	3,873	17,430	0	7,684	3,775
0	0	0	0	0	0	0
<u>1,764</u>	<u>0</u>	<u>1,913</u>	<u>1,815</u>	<u>(186)</u>	<u>(153,533)</u>	<u>0</u>
<u>1,764</u>	<u>0</u>	<u>5,786</u>	<u>19,245</u>	<u>(186)</u>	<u>(145,849)</u>	<u>3,775</u>
<u>\$23,016</u>	<u>\$0</u>	<u>\$5,786</u>	<u>\$19,245</u>	<u>\$0</u>	<u>\$117,817</u>	<u>\$4,175</u>

Continued

Northwest Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2007

	Title III LEP	Title I	Title V Innovative Projects	Drug Free Schools	Early Childhood Special Education
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$1,225	\$104,861	\$6,189	\$16,493	\$660
<b>Receivables:</b>					
Accounts	0	0	0	0	0
Intergovernmental	0	228,888	0	0	500
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>\$1,225</b>	<b>\$333,749</b>	<b>\$6,189</b>	<b>\$16,493</b>	<b>1,160</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$963
Accrued Wages and Benefits	0	55,226	0	0	0
Compensated Absences	0	0	0	0	0
Deferred Revenue	0	121,775	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>177,001</b>	<b>0</b>	<b>0</b>	<b>963</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	102	1,900	774	9,527	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	1,123	154,848	5,415	6,966	197
<b>Total Fund Balances</b>	<b>1,225</b>	<b>156,748</b>	<b>6,189</b>	<b>16,493</b>	<b>197</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,225</b>	<b>\$333,749</b>	<b>\$6,189</b>	<b>\$16,493</b>	<b>\$1,160</b>



Title II-A	Technology II-D	Hurricane Katrina Relief	Total Nonmajor Special Revenue Funds
\$44,846	\$7,050	\$0	\$1,200,933
0	0	0	7,408
0	0	0	326,978
0	0	0	31,606
<u>\$44,846</u>	<u>\$7,050</u>	<u>0</u>	<u>\$1,566,925</u>
\$400	\$0	\$0	\$19,486
32,456	0	0	625,201
0	0	0	48,556
0	0	0	121,775
<u>32,856</u>	<u>0</u>	<u>0</u>	<u>815,018</u>
3,302	394	0	441,930
0	0	0	31,606
<u>8,688</u>	<u>6,656</u>	<u>0</u>	<u>278,371</u>
<u>11,990</u>	<u>7,050</u>	<u>0</u>	<u>751,907</u>
<u>\$44,846</u>	<u>\$7,050</u>	<u>\$0</u>	<u>\$1,566,925</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, 2007

	Food Service	Underground Storage Tank	Athletic	Auxiliary Services	Education Management Information System
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$26,554	\$0
Intergovernmental	1,307,772	0	0	2,327,983	34,556
Extracurricular Activities	0	0	500,925	0	0
Charges for Services	2,014,390	0	0	0	0
<b>Total Revenues</b>	<b>3,322,162</b>	<b>0</b>	<b>500,925</b>	<b>2,354,537</b>	<b>34,556</b>
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Student Intervention	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	0	0	0	0
School Administration	0	0	0	0	0
Operations and Maintenance	2,751	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	42,778
Community Services	0	0	0	2,151,798	0
Operation of Non-instructional Services	3,363,354	0	0	0	0
Extracurricular Activities	0	0	518,789	0	0
<b>Total Expenditures</b>	<b>3,366,105</b>	<b>0</b>	<b>518,789</b>	<b>2,151,798</b>	<b>42,778</b>
Net Change in Fund Balance	(43,943)	0	(17,864)	202,739	(8,222)
Fund Balance Beginning of Year	143,660	11,000	154,362	184,458	41,290
<b>Fund Balance End of Year</b>	<b>\$99,717</b>	<b>\$11,000</b>	<b>\$136,498</b>	<b>\$387,197</b>	<b>\$33,068</b>

Public Preschool	Ohio SchoolNet Professional Development	Ohio Reads	Entry Year Teacher Grant	Poverty Aid	IDEA B Special Education	Vocational Education Perkins
\$0	\$0	\$0	\$0	\$0	\$0	\$0
149,850	5,300	36,000	44,045	124,514	2,642,092	168,171
0	0	0	0	0	0	0
0	0	0	0	0	0	0
149,850	5,300	36,000	44,045	124,514	2,642,092	168,171
139,546	0	7,510	0	0	0	57,600
0	0	13,846	0	121,056	1,367,798	0
0	0	0	0	0	0	21,609
0	0	0	0	0	0	0
0	0	0	0	0	842,117	64,059
11,149	9,008	8,858	24,800	7,993	26,557	12,920
0	0	0	0	0	349,425	7,980
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	307,144	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
150,695	9,008	30,214	24,800	129,049	2,893,041	164,168
(845)	(3,708)	5,786	19,245	(4,535)	(250,949)	4,003
2,609	3,708	0	0	4,349	105,100	(228)
\$1,764	\$0	\$5,786	\$19,245	(\$186)	(\$145,849)	\$3,775

Continued

Northwest Local School District  
Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2007

	Title III LEP	Title I	Title V Innovative Projects	Drug Free Schools	Early Childhood Special Education
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	36,192	955,393	19,770	38,203	46,178
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
<b>Total Revenues</b>	<b>36,192</b>	<b>955,393</b>	<b>19,770</b>	<b>38,203</b>	<b>46,178</b>
Expenditures:					
Current:					
Instruction:					
Regular	0	0	11,918	12,486	57
Special	34,575	482,012	1,414	0	0
Vocational	0	0	0	0	0
Student Intervention	0	0	0	0	0
Support Services:					
Pupil	0	0	0	1,750	44,274
Instructional Staff	244	213,425	0	0	0
School Administration	0	43,715	0	0	0
Operations and Maintenance	0	0	0	8,192	0
Pupil Transportation	0	37,631	0	0	0
Central	0	0	0	0	0
Community Services	300	41,958	3,239	3,975	1,650
Operation of Non-instructional Services	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<b>Total Expenditures</b>	<b>35,119</b>	<b>818,741</b>	<b>16,571</b>	<b>26,403</b>	<b>45,981</b>
Net Change in Fund Balance	1,073	136,652	3,199	11,800	197
Fund Balance Beginning of Year	152	20,096	2,990	4,693	0
<b>Fund Balance End of Year</b>	<b>\$1,225</b>	<b>\$156,748</b>	<b>\$6,189</b>	<b>\$16,493</b>	<b>\$197</b>

<u>Title II-A</u>	<u>Technology II-D</u>	<u>Hurricane Katrina Relief</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$26,554
295,592	9,831	6,000	8,247,442
0	0	0	500,925
0	0	0	2,014,390
<u>295,592</u>	<u>9,831</u>	<u>6,000</u>	<u>10,789,311</u>
220,199	0	0	449,316
0	0	0	2,020,701
0	0	0	21,609
0	0	6,000	6,000
0	0	0	952,200
73,246	2,045	0	390,245
0	0	0	401,120
0	0	0	10,943
0	0	0	37,631
0	0	0	42,778
1,288	2,096	0	2,513,448
0	0	0	3,363,354
0	0	0	518,789
<u>294,733</u>	<u>4,141</u>	<u>6,000</u>	<u>10,728,134</u>
859	5,690	0	61,177
11,131	1,360	0	690,730
<u>\$11,990</u>	<u>\$7,050</u>	<u>\$0</u>	<u>\$751,907</u>

Northwest Local School District  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 June 30, 2007

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,427,816	\$6,150	\$2,433,966
Total Assets	<u>2,427,816</u>	<u>6,150</u>	<u>2,433,966</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Unreserved, Undesignated, Reported in:			
Capital Projects Funds	2,427,816	6,150	2,433,966
Total Fund Balances	<u>2,427,816</u>	<u>6,150</u>	<u>2,433,966</u>
Total Liabilities and Fund Balances	<u>\$2,427,816</u>	<u>\$6,150</u>	<u>\$2,433,966</u>

Northwest Local School District  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Fiscal Year Ended June 30, 2007

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental	\$0	\$42,000	\$42,000
Total Revenues	0	42,000	42,000
Expenditures:			
Current:			
Instruction:			
Regular	0	35,850	35,850
Total Expenditures	0	35,850	35,850
Net Change in Fund Balance	0	6,150	6,150
Fund Balance Beginning of Year	2,427,816	0	2,427,816
Fund Balance End of Year	\$2,427,816	\$6,150	\$2,433,966

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$15,412	\$15,491	\$79
Intergovernmental	1,102,206	1,107,879	5,673
Charges for Services	1,997,263	2,007,543	10,280
<b>Total Revenues</b>	<b>3,114,881</b>	<b>3,130,913</b>	<b>16,032</b>
Expenditures:			
Current:			
Operation of Non-Instructional Services	3,288,370	3,181,756	106,614
<b>Total Expenditures</b>	<b>3,288,370</b>	<b>3,181,756</b>	<b>106,614</b>
<b>Net Change in Fund Balance</b>	<b>(173,489)</b>	<b>(50,843)</b>	<b>122,646</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	415,956	415,956	0
<b>Fund Balance End of Year</b>	<b>\$242,467</b>	<b>\$365,113</b>	<b>\$122,646</b>



Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Underground Storage Tank Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Athletic Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$503,750	\$500,925	(\$2,825)
Total Revenues	503,750	500,925	(2,825)
Expenditures:			
Current:			
Community Services	550,000	523,806	26,194
Total Expenditures	550,000	523,806	26,194
Net Change in Fund Balance	(46,250)	(22,881)	23,369
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	159,572	159,572	0
Fund Balance End of Year	\$113,322	\$136,691	\$23,369

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$26,554	\$26,554	\$0
Intergovernmental	2,327,983	2,327,983	0
<b>Total Revenues</b>	<b>2,354,537</b>	<b>2,354,537</b>	<b>0</b>
Expenditures:			
Current:			
Community Services	2,316,590	2,544,679	(228,089)
<b>Total Expenditures</b>	<b>2,316,590</b>	<b>2,544,679</b>	<b>(228,089)</b>
<b>Net Change in Fund Balance</b>	<b>37,947</b>	<b>(190,142)</b>	<b>(228,089)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	190,142	190,142	0
<b>Fund Balance End of Year</b>	<b>\$228,089</b>	<b>\$0</b>	<b>(\$228,089)</b>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Education Management Information System Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$34,556	\$34,556	\$0
Total Revenues	34,556	34,556	0
Expenditures:			
Current:			
Support Services:			
Central	35,000	42,778	(7,778)
Total Expenditures	35,000	42,778	(7,778)
Net Change in Fund Balance	(444)	(8,222)	(7,778)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	41,290	41,290	0
Fund Balance End of Year	\$40,846	\$33,068	(\$7,778)

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Public Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$179,489	\$161,364	(\$18,125)
Total Revenues	<u>179,489</u>	<u>161,364</u>	<u>(18,125)</u>
Expenditures:			
Current:			
Instruction:			
Regular	139,952	138,660	1,292
Support Services:			
Instructional Staff	<u>9,898</u>	<u>9,807</u>	<u>91</u>
Total Expenditures	<u>149,850</u>	<u>148,467</u>	<u>1,383</u>
Net Change in Fund Balance	29,639	12,897	(16,742)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>10,120</u>	<u>10,120</u>	<u>0</u>
Fund Balance End of Year	<u>\$39,759</u>	<u>\$23,017</u>	<u>(\$16,742)</u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Ohio SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,300	\$5,300	\$0
Total Revenues	5,300	5,300	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	8,000	9,008	(1,008)
Total Expenditures	8,000	9,008	(1,008)
Net Change in Fund Balance	(2,700)	(3,708)	(1,008)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,708	3,708	0
Fund Balance End of Year	\$1,008	\$0	(\$1,008)

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	OhioReads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$36,000	\$36,000	\$0
Total Revenues	36,000	36,000	0
Expenditures:			
Current:			
Instruction:			
Regular	6,679	11,383	(4,704)
Special	8,124	13,846	(5,722)
Support Services:			
Instructional Staff	5,197	8,858	(3,661)
Total Expenditures	20,000	34,087	(14,087)
Net Change in Fund Balance	16,000	1,913	(14,087)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$16,000	\$1,913	(\$14,087)

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Entry Year Teacher Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$44,045	\$44,045	\$0
Total Revenues	44,045	44,045	0
Expenditures:			
Current:			
Instruction:			
Regular	14,859	17,430	(2,571)
Support Services:			
Instructional Staff	21,141	24,800	(3,659)
Total Expenditures	36,000	42,230	(6,230)
Net Change in Fund Balance	8,045	1,815	(6,230)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$8,045	\$1,815	(\$6,230)



Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2007

	Poverty Aid Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$124,514	\$124,514	\$0
Total Revenues	124,514	124,514	0
Expenditures:			
Current:			
Instruction:			
Special	117,903	120,870	(2,967)
Support Services:			
Instructional Staff	7,797	7,993	(196)
Total Expenditures	125,700	128,863	(3,163)
Net Change in Fund Balance	(1,186)	(4,349)	(3,163)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,349	4,349	0
Fund Balance End of Year	\$3,163	\$0	(\$3,163)

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	IDEA B Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,609,671	\$2,594,502	(\$15,169)
Total Revenues	<u>2,609,671</u>	<u>2,594,502</u>	<u>(15,169)</u>
Expenditures:			
Current:			
Instruction:			
Special	1,177,338	1,329,069	(151,731)
Support Services:			
Pupil	739,801	835,144	(95,343)
Instructional Staff	93,271	105,291	(12,020)
School Administration	268,162	302,722	(34,560)
Community Services	271,428	306,409	(34,981)
Total Expenditures	<u>2,550,000</u>	<u>2,878,635</u>	<u>(328,635)</u>
Net Change in Fund Balance	59,671	(284,133)	(343,804)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>296,675</u>	<u>296,675</u>	<u>0</u>
Fund Balance End of Year	<u>\$356,346</u>	<u>\$12,542</u>	<u>(\$343,804)</u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2007

	Vocational Education Perkins Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$170,424	\$168,171	(\$2,253)
Total Revenues	<u>170,424</u>	<u>168,171</u>	<u>(2,253)</u>
Expenditures:			
Current:			
Instruction:			
Regular	56,856	57,600	(744)
Vocational	25,438	25,771	(333)
Support Services:			
Pupil	63,075	63,900	(825)
Instructional Staff	12,753	12,920	(167)
School Administration	7,878	7,980	(102)
Total Expenditures	<u>166,000</u>	<u>168,171</u>	<u>(2,171)</u>
Net Change in Fund Balance	4,424	0	(4,424)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$4,424</u>	<u>\$0</u>	<u>(\$4,424)</u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2007

	Title III LEP Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$38,839	\$36,192	(\$2,647)
Total Revenues	38,839	36,192	(2,647)
Expenditures:			
Current:			
Instruction:			
Special	18,707	34,677	(15,970)
Support Services:			
Instructional Staff	131	244	(113)
Community Services	162	300	(138)
Total Expenditures	19,000	35,221	(16,221)
Net Change in Fund Balance	19,839	971	(18,868)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	152	152	0
Fund Balance End of Year	\$19,991	\$1,123	(\$18,868)

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$943,501	\$943,501	\$0
Total Revenues	943,501	943,501	0
Expenditures:			
Current:			
Instruction:			
Special	538,777	525,828	12,949
Support Services:			
Instructional Staff	236,872	231,179	5,693
School Administration	41,583	40,584	999
Pupil Transportation	38,559	37,632	927
Community Services	44,210	43,147	1,063
Total Expenditures	900,001	878,370	21,631
Net Change in Fund Balance	43,500	65,131	21,631
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	37,830	37,830	0
Fund Balance End of Year	\$81,330	\$102,961	\$21,631

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Title V Innovative Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$19,770	\$19,770	\$0
Total Revenues	<u>19,770</u>	<u>19,770</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	14,043	11,918	2,125
Special	1,666	1,414	252
Community Services	<u>4,729</u>	<u>4,013</u>	<u>716</u>
Total Expenditures	<u>20,438</u>	<u>17,345</u>	<u>3,093</u>
Net Change in Fund Balance	(668)	2,425	3,093
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,990</u>	<u>2,990</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,322</u></u>	<u><u>\$5,415</u></u>	<u><u>\$3,093</u></u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$38,203	\$38,203	\$0
Total Revenues	<u>38,203</u>	<u>38,203</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	18,179	19,383	(1,204)
Support Services:			
Pupil	1,641	1,750	(109)
Operations and Maintenance	7,683	8,192	(509)
Community Services	<u>6,196</u>	<u>6,605</u>	<u>(409)</u>
Total Expenditures	<u>33,699</u>	<u>35,930</u>	<u>(2,231)</u>
Net Change in Fund Balance	4,504	2,273	(2,231)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>4,693</u>	<u>4,693</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$9,197</u></u>	<u><u>\$6,966</u></u>	<u><u>(\$2,231)</u></u>

Northwest Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2007

	Early Childhood Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$58,025	\$45,678	(\$12,347)
Total Revenues	58,025	45,678	(12,347)
Expenditures:			
Current:			
Instruction:			
Regular	51	57	(6)
Support Services:			
Pupil	38,483	43,311	(4,828)
Community Services	1,466	1,650	(184)
Total Expenditures	40,000	45,018	(5,018)
Net Change in Fund Balance	18,025	660	(17,365)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$18,025	\$660	(\$17,365)



Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$314,750	\$304,277	(\$10,473)
Total Revenues	314,750	304,277	(10,473)
Expenditures:			
Current:			
Instruction:			
Regular	194,964	201,685	(6,721)
Support Services:			
Instructional Staff	74,511	77,079	(2,568)
Community Services	1,245	1,288	(43)
Total Expenditures	270,720	280,052	(9,332)
Net Change in Fund Balance	44,030	24,225	(19,805)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,919	16,919	0
Fund Balance End of Year	\$60,949	\$41,144	(\$19,805)

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Technology II-D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$15,831	\$9,831	(\$6,000)
Total Revenues	15,831	9,831	(6,000)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	4,284	2,045	2,239
Community Services	5,216	2,490	2,726
Total Expenditures	9,500	4,535	4,965
Net Change in Fund Balance	6,331	5,296	(1,035)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,360	1,360	0
Fund Balance End of Year	\$7,691	\$6,656	(\$1,035)

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Hurricane Katrina Relief Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$6,000	\$6,000	\$0
Total Revenues	6,000	6,000	0
Expenditures:			
Current:			
Instruction:			
Student Intervention	6,000	6,000	0
Total Expenditures	6,000	6,000	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,599,545	\$1,599,545	\$0
Intergovernmental	172,201	172,201	0
Total Revenues	<u>1,771,746</u>	<u>1,771,746</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	20,962	20,911	51
Debt Service:			
Principal Retirement	675,000	675,000	0
Interest and Fiscal Charges	998,533	994,495	4,038
Total Expenditures	<u>1,694,495</u>	<u>1,690,406</u>	<u>4,089</u>
Net Change in Fund Balance	77,251	81,340	4,089
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,113,172</u>	<u>1,113,172</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,190,423</u>	<u>\$1,194,512</u>	<u>\$4,089</u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Fiscal	150,000	0	150,000
Total Expenditures	150,000	0	150,000
Net Change in Fund Balance	(150,000)	0	150,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,427,816	2,427,816	0
Fund Balance End of Year	<u>\$2,277,816</u>	<u>\$2,427,816</u>	<u>\$150,000</u>

Northwest Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2007

	Ohio SchoolNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$42,000	\$42,000	\$0
Total Revenues	42,000	42,000	0
Expenditures:			
Current:			
Instruction:			
Regular	42,000	35,850	6,150
Total Expenditures	42,000	35,850	6,150
Net Change in Fund Balance	0	6,150	6,150
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$6,150	\$6,150

## **FUND DESCRIPTIONS**

### **NONMAJOR FIDUCIARY FUND**

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

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

Northwest Local School District  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended June 30, 2007

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$158,200	\$258,361	\$253,432	\$163,129
Total Assets	<u>158,200</u>	<u>258,361</u>	<u>253,432</u>	<u>163,129</u>
Liabilities:				
Accounts Payable	1,716	391	1,716	391
Other Liabilities	<u>156,484</u>	<u>257,970</u>	<u>251,716</u>	<u>162,738</u>
Total Liabilities	<u>\$158,200</u>	<u>\$258,361</u>	<u>\$253,432</u>	<u>\$163,129</u>





## STATISTICAL SECTION

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## STATISTICAL SECTION

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

### CONTENTS

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

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

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

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

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

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

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Governmental activities						
Invested in capital assets, Net of related debt	\$4,468,058	\$4,540,207	\$4,263,966	\$3,896,572	\$3,063,084	\$2,440,916
Restricted	3,148,603	3,208,243	4,996,925	4,984,928	4,911,775	4,812,592
Unrestricted	13,257,397	17,774,623	13,113,564	17,057,579	17,619,488	17,931,886
Total Net Assets	<u>\$20,874,058</u>	<u>\$25,523,073</u>	<u>\$22,374,455</u>	<u>\$25,939,079</u>	<u>\$25,594,347</u>	<u>\$25,185,394</u>

Source: District Records

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

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities:						
Instruction	\$43,961,196	\$45,411,314	\$48,139,681	\$50,233,149	\$48,903,070	\$49,828,614
Pupil	4,087,427	4,311,310	4,300,406	4,370,329	4,740,911	4,850,602
Instructional Staff	4,703,188	5,003,623	5,885,152	5,941,773	5,770,458	5,840,176
General Administration	87,785	120,895	91,142	161,901	241,656	281,111
School Administration	5,090,831	5,146,738	5,356,327	5,640,900	5,446,475	5,855,802
Fiscal	1,311,298	1,360,512	1,530,072	1,550,991	1,483,369	1,558,363
Business	532,909	577,629	574,334	594,917	699,841	507,244
Operation and Maintenance	8,058,321	8,245,783	7,559,219	7,817,898	8,272,465	8,033,869
Pupil Transportation	3,567,960	4,088,325	4,330,044	4,391,526	4,589,238	4,819,635
Central	1,342,996	1,371,668	1,421,910	1,493,134	1,211,509	1,272,167
Community Services	2,679,136	2,924,980	2,692,405	2,954,975	2,734,511	2,766,380
Operation of Non-instructional Services	0	0	3,222,318	3,902,227	3,800,692	3,919,969
Extracurricular activities	1,405,292	1,664,320	1,662,910	1,766,543	1,821,170	1,915,193
Interest and Fiscal Charges	1,228,722	1,211,360	1,190,385	1,166,792	1,529,534	1,008,515
Total Government Expenses	<u>78,057,061</u>	<u>81,438,457</u>	<u>87,956,305</u>	<u>91,987,055</u>	<u>91,244,899</u>	<u>92,457,640</u>
Program Revenues						
Governmental Activities:						
Charges for Services	1,908,466	2,343,247	4,273,356	4,508,855	4,202,987	4,244,843
Operating Grants and Contributions	5,094,519	5,655,375	7,540,130	8,299,035	10,407,779	10,858,280
Capital Grants and Contributions	360,516	574,646	2,050,671	186,207	269,047	173,314
Total Government Revenues	<u>7,363,501</u>	<u>8,573,268</u>	<u>13,864,157</u>	<u>12,994,097</u>	<u>14,879,813</u>	<u>15,276,437</u>
Net (Expense)/Revenue						
Total Government Net Expense	<u>(\$70,693,560)</u>	<u>(\$72,865,189)</u>	<u>(\$74,092,148)</u>	<u>(\$78,992,958)</u>	<u>(\$76,365,086)</u>	<u>(\$77,181,203)</u>

Source: District Records

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

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Net (Expense)/Revenue						
Total Government Net Expense	(\$70,693,560)	(\$72,865,189)	(\$74,092,148)	(\$78,992,958)	(\$76,365,086)	(\$77,181,203)
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes						
Property Taxes Levied for General Purposes	37,617,518	40,665,767	33,876,124	43,786,003	39,092,855	40,052,554
Property Taxes Levied for Debt Service Purposes	1,580,267	1,608,343	1,293,327	1,679,221	1,678,204	1,527,841
Grants and Entitlements not Restricted to Specific Programs	31,204,342	32,216,453	33,634,399	34,233,076	31,520,219	31,552,624
Payment in Lieu of Taxes	940,478	1,436,898	1,442,401	1,944,008	2,170,537	1,353,248
Unrestricted Contributions	0	0	0	0	211,257	201,670
Investment Earnings	627,818	383,001	246,045	492,314	957,958	1,281,757
Refunds and Reimbursements	0	0	0	0	0	461,544
Other Revenues	200,581	323,898	367,379	422,959	389,323	341,012
Total Government Activities	72,171,004	76,634,360	70,859,675	82,557,581	76,020,353	76,772,250
Change in Net Assets						
Total Government	\$1,477,444	\$3,769,171	(\$3,232,473)	\$3,564,623	(\$344,733)	(\$408,953)

Source: District Records

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

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$10,932,973	\$13,870,436	\$14,260,910	\$9,670,173	\$10,888,628	\$13,298,462	\$9,941,691	\$15,297,234	\$14,850,178	\$13,241,226
Unreserved	(2,105,574)	(163,426)	1,790,612	6,263,942	5,697,028	7,338,820	5,946,886	3,708,325	4,431,337	5,028,757
Total General Fund	8,827,399	13,707,010	16,051,522	15,934,115	16,585,656	20,637,282	15,888,577	19,005,559	19,281,515	18,269,983
All Other Governmental Funds										
Reserved	2,971,819	8,881,874	1,810,364	1,864,100	510,528	763,003	595,769	927,231	795,705	981,536
Unreserved, Reported in:										
Special Revenue Funds	23,751,643	1,844,210	758,848	913,208	706,479	199,211	819,862	748,393	550,025	278,371
Debt Service Funds	0	0	0	0	1,207,501	1,207,995	1,139,524	1,070,092	1,113,172	1,194,512
Capital Project Funds	905,516	1,088,043	443,745	647,112	658,294	863,550	2,408,668	2,407,961	2,427,816	2,433,966
Total all Other Governmental Funds	\$27,628,978	\$11,814,127	\$3,012,957	\$3,424,420	\$3,082,802	\$3,033,759	\$4,963,823	\$5,153,677	\$4,886,718	\$4,888,385

Source: District Records

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	\$32,970,485	\$39,719,610	\$36,559,109	\$36,101,477	\$39,197,785	\$42,274,109	\$35,169,451	\$45,465,224	\$40,771,058	\$39,571,250
Revenue in Lieu of Taxes	0	0	414,737	747,826	837,851	1,136,800	1,335,357	1,803,022	1,905,623	2,159,741
Tuition and Fees	283,451	464,028	821,371	652,988	1,004,932	828,575	1,307,283	1,375,608	1,827,893	1,207,360
Investment Earnings	1,724,492	1,954,545	1,178,279	1,318,478	627,818	355,779	273,267	492,314	957,958	1,281,757
Intergovernmental	25,006,567	27,351,361	30,497,919	34,093,579	36,222,194	37,943,077	40,999,928	42,692,681	42,042,886	42,681,291
Extracurricular Activities	0	0	0	0	535,428	511,575	463,235	555,091	455,337	500,925
Charges for Services	0	0	0	0	0	0	2,104,495	2,420,753	2,052,682	2,856,808
Other Revenues	1,993,280	1,117,385	1,214,893	1,686,162	796,640	1,703,732	2,986,745	611,587	599,580	689,921
Total Revenues	\$61,978,275	\$70,606,929	\$70,686,308	\$74,600,510	\$79,222,648	\$84,753,647	\$84,639,761	\$95,416,280	\$90,613,017	\$90,949,053

Source: District Records



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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Instruction	\$36,164,198	\$38,741,662	\$40,366,506	\$43,088,835	\$44,375,999	\$44,710,155	\$47,364,387	\$49,644,561	\$48,009,414	\$49,180,578
Pupil	2,189,674	2,381,066	2,428,715	2,670,062	4,123,963	4,331,777	4,330,800	4,370,923	4,753,090	4,796,893
Instructional Staff	2,764,150	3,064,840	3,318,935	3,391,576	4,656,513	5,017,149	5,832,190	5,993,431	5,775,348	5,832,460
General Administration	62,657	64,511	68,186	72,804	87,785	120,895	91,142	161,901	241,656	281,111
School Administration	3,853,771	4,063,674	4,364,701	4,736,223	5,153,713	5,077,151	5,334,870	5,397,018	5,411,896	5,906,050
Fiscal	924,884	1,022,803	1,066,891	1,177,830	1,292,652	1,340,797	1,492,837	1,482,270	1,518,660	1,695,551
Business	417,343	435,586	469,860	476,836	596,498	559,547	571,206	581,747	694,082	512,931
Operation and Maintenance	6,229,779	6,490,875	6,857,802	8,036,025	7,880,719	8,208,547	7,463,816	7,711,002	8,274,328	7,956,222
Pupil Transportation	2,883,791	4,153,544	3,103,146	3,354,332	3,916,466	4,170,750	4,159,436	4,337,422	4,444,862	4,584,733
Central	691,597	952,543	993,807	1,169,269	1,337,439	1,344,141	1,439,811	1,505,082	1,253,835	1,189,253
Community Services	1,920,146	1,847,154	2,463,385	2,627,534	2,667,631	2,918,707	2,662,037	3,028,766	2,852,204	2,763,937
Operation of Non-instructional Services	0	0	0	0	0	0	0	3,912,642	3,821,406	3,887,879
Extracurricular Activities	1,160,514	1,256,647	1,348,793	1,456,054	1,372,204	1,666,064	1,651,922	1,758,583	1,815,078	1,733,681
Capital Outlay	792,413	15,450,461	8,342,043	445,114	4,120	0	374,000	0	0	0
Debt Service										
Principal	259,533	362,890	405,389	375,000	410,000	450,000	495,000	540,000	590,000	675,000
Interest	889,653	1,302,903	1,257,169	1,246,213	1,230,133	1,212,152	1,192,059	1,169,645	1,149,162	994,495
Total Expenditures	\$61,204,103	\$81,591,159	\$76,855,328	\$74,323,707	\$79,105,835	\$81,127,832	\$87,615,288	\$91,594,993	\$90,605,021	\$91,990,774
Debt Service as a Percentage of Noncapital Expenditures	2.12%	2.79%	2.70%	2.46%	2.30%	2.28%	2.11%	2.04%	2.11%	1.99%

Source: District Records

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$133,438	\$48,990	\$35,691	\$17,253	\$23,666	\$27,340	\$36,530	\$58,402	\$1,001	\$31,856
Proceeds of Long Term Debt	25,000,000	0	0	0	0	0	0	0	0	0
Payments to Refunded Bonds Escrow Agent	0	0	0	0	0	0	0	0	(15,964,485)	0
Proceeds of Refunding Bonds	0	0	0	0	0	0	0	0	15,380,000	0
Refunding Bond Premium	0	0	0	0	0	0	0	0	584,485	0
Transfers in	285,111	285,111	0	0	0	0	0	0	0	0
Transfers out	(285,111)	(285,111)	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	25,133,438	48,990	35,691	17,253	23,666	27,340	36,530	58,402	1,001	31,856
Net Change in Fund Balances	\$25,907,610	(\$10,935,240)	(\$6,133,329)	\$294,056	\$140,479	\$3,653,155	(\$2,938,997)	\$3,879,689	\$8,997	(\$1,009,865)

Source: District Records

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

Calendar Year	Real Property	Tangible Personal Property	Public Utilities Personal	Less: Exemptions	Total Taxable Value	Total Assessed Value (1)	Total Direct Rate
	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)		Value	Value (1)	Rate
1997	\$979,857,920	\$91,721,330	\$56,979,500	\$79,557,950	\$1,049,000,800	\$1,130,148,910	42.98
1998	998,197,040	95,055,550	57,518,280	84,045,760	1,066,725,110	1,147,436,650	50.18
1999	1,208,116,000	90,245,710	59,406,000	86,609,820	1,271,157,890	1,362,577,550	50.13
2000	1,208,252,230	97,329,980	54,842,530	110,713,390	1,249,711,350	1,353,340,470	49.80
2001	1,237,011,150	92,866,910	37,730,740	107,289,320	1,260,319,480	1,372,071,870	49.80
2002	1,349,652,730	80,470,050	39,296,490	122,907,540	1,346,511,730	1,481,846,130	49.64
2003	1,362,790,120	82,003,290	39,727,050	134,826,180	1,349,694,280	1,482,987,220	49.64
2004	1,373,527,170	78,381,540	40,023,250	142,588,040	1,349,343,920	1,495,553,710	49.64
2005	1,606,199,670	63,984,560	37,866,350	165,946,020	1,542,104,560	1,702,852,175	49.64
2006	1,611,429,080	42,869,655	36,164,160	180,126,190	1,510,336,705	1,718,955,390	49.64

Source: Hamilton County Auditor

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

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

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

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

Calendar Year	District Direct Rates			Overlapping Rates						
	General Purpose	Debt	Total	Hamilton County	City of Fairfield	City of Forest Park	City of North College Hill	Colerain Township	Green Township	Springfield Township
1997	42.98	0.00	42.98	19.01	4.54	6.33	6.68	12.34	8.81	14.30
1998	48.54	1.64	50.18	19.54	4.54	6.33	6.68	12.34	8.81	14.30
1999	48.54	1.59	50.13	20.83	4.54	6.33	6.68	10.84	8.81	14.30
2000	48.54	1.26	49.80	19.92	5.94	6.33	6.68	15.18	8.81	14.30
2001	48.54	1.26	49.80	21.47	5.94	11.08	6.68	15.18	8.31	20.30
2002	48.54	1.10	49.64	21.87	5.94	11.08	6.68	16.18	8.31	20.30
2003	48.54	1.10	49.64	21.51	5.94	11.08	6.68	16.18	8.31	20.30
2004	48.54	1.10	49.64	21.06	5.94	11.08	6.68	16.18	8.31	20.30
2005	48.54	1.10	49.64	20.81	5.94	11.08	6.68	16.18	9.81	20.30
2006	48.54	1.10	49.64	19.78	5.94	11.08	6.68	16.18	9.81	20.30

Source: Hamilton County Auditor

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

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

2006 (2)		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Value
Proctor & Gamble Company	\$6,661,650	0.39%
Wal Mart Stores East LP	2,460,610	0.14%
Lowe's Home Centers, Inc.	2,204,280	0.13%
Rumpke of Ohio, Inc.	2,072,310	0.12%
Home Depot USA, Inc.	1,951,100	0.11%
Consolidated Equities Realty #3 LLC	1,907,930	0.11%
Joseph Chevrolet Co.	1,808,180	0.11%
Joseph Toyota of Cincinnati, LLC	1,401,210	0.08%
Rumpke of Ohio, Inc.	1,367,400	0.08%
Joseph Buick Pontiac GMC Truck Inc.	1,366,540	0.08%
Total Principal Taxpayers	23,201,210	1.35%
All Other Taxpayers:	1,695,754,180	98.65%
Total All Taxpayers	<u>\$1,718,955,390</u>	<u>100.00%</u>

2003 (2)		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Value
Wal Mart Stores East LP	\$2,911,260	0.20%
Home Depot USA, Inc.	2,762,790	0.19%
Rumpke of Ohio, Inc.	2,361,520	0.16%
Bass Pro Shops Outdoor World	1,788,970	0.12%
Lowe's Home Centers, Inc.	1,534,700	0.10%
Rich's Department Stores	1,248,960	0.08%
Jeff Wyler Honda of Colerain	1,212,580	0.08%
Kroger Limited PTSP 1	1,200,710	0.08%
Jeff Wyler Fairfield Inc.	1,103,430	0.07%
Builders Firstsource Ohio Valley Inc.	1,044,230	0.07%
Total Principal Taxpayers	17,169,150	1.16%
All Other Taxpayers:	1,464,676,980	98.84%
Total All Taxpayers	<u>\$1,481,846,130</u>	<u>100.00%</u>

Source: Hamilton County Auditor

(1) Information only available from 2003 forward

(2) Denotes calendar year

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$35,218,006	\$34,456,186	97.84%	\$936,117	\$35,392,303	100.49%
1998	41,344,648	39,490,148	95.51%	952,897	40,443,045	97.82%
1999	44,397,128	40,796,464	91.89%	1,058,792	41,855,256	94.27%
2000	44,701,487	41,940,289	93.82%	977,718	42,918,007	96.01%
2001	45,657,507	41,684,515	91.30%	1,499,105	43,183,620	94.58%
2002	45,340,673	41,698,136	91.97%	1,439,366	43,137,502	95.14%
2003	45,828,885	42,225,846	92.14%	1,224,709	43,450,555	94.81%
2004	46,580,056	42,637,282	91.54%	1,586,109	44,223,391	94.94%
2005	46,683,849	42,673,894	91.41%	1,496,380	44,170,274	94.62%
2006	47,821,130	43,657,969	91.29%	1,777,244	45,435,213	95.01%

Source: Hamilton County Auditor

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

Fiscal Year	Governmental Activities		Ratio of General Bonded Debt to Estimated Actual Value (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds	Total Primary Government			
1998	\$25,000,000	\$25,000,000	2.21%	0.10%	\$370
1999	24,910,000	24,910,000	2.17%	0.09%	365
2000	24,575,000	24,575,000	1.80%	0.09%	282
2001	24,200,000	24,200,000	1.79%	0.09%	277
2002	23,790,000	23,790,000	1.73%	0.08%	272
2003	23,340,000	23,340,000	1.58%	0.08%	266
2004	22,845,000	22,845,000	1.54%	0.07%	260
2005	22,305,000	22,305,000	1.49%	0.07%	253
2006	21,715,000	21,715,000	1.28%	0.07%	245
2007	21,040,000	21,040,000	1.22%	N/A	N/A

Source: District Records

N/A - Information not available

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

Northwest Local School District  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2007  
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Butler County	\$72,853,870	0.03%	\$21,856
Hamilton County	120,540,000	8.18%	9,860,172
City of Fairfield	27,505,000	0.02%	5,501
City of Forest Park	6,940,000	12.07%	837,658
City of North College Hill	610,337	1.23%	7,507
Colerain Township	9,045,000	93.46%	8,453,457
Fairfield Township	5,075,000	0.51%	25,883
Green Township	4,001,667	28.69%	1,148,078
Springfield Township	13,710,000	11.81%	1,619,151
Subtotal, Overlapping Debt	260,280,874		21,979,263
District direct debt	21,040,000	100.00%	21,040,000
Total direct and overlapping debt	\$281,320,874		\$43,019,263

Source: Ohio Municipal Advisory Council

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



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

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Value (1)	\$1,718,955,390
Debt Limit (9% of Assessed Value)	154,705,985
Debt Applicable to Limit	21,040,000
Legal Debt Margin	<u>\$133,665,985</u>

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$101,713,402	\$103,269,299	\$122,631,980	\$121,800,642	\$123,486,468	\$133,366,152	\$133,468,850	\$134,599,834	\$153,256,696	\$154,705,985
Total Net Debt Applicable to Limit	24,446,882	23,839,463	23,145,446	22,682,610	22,161,099	21,602,805	21,341,576	20,659,908	19,946,828	21,040,000
Legal Debt Margin	<u>\$77,266,520</u>	<u>\$79,429,836</u>	<u>\$99,486,534</u>	<u>\$99,118,032</u>	<u>\$101,325,369</u>	<u>\$111,763,347</u>	<u>\$112,127,274</u>	<u>\$113,939,926</u>	<u>\$133,309,868</u>	<u>\$133,665,985</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.04%	23.08%	18.87%	18.62%	17.95%	16.20%	15.99%	15.35%	13.02%	13.60%

Source: District Records

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

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)
1997	67,373	\$25,264,828	\$29,395	3.40%
1998	67,373	27,144,490	31,712	3.80%
1999	85,875	27,420,292	32,262	3.10%
2000	85,875	28,329,667	33,566	3.80%
2001	85,875	29,136,541	34,499	3.60%
2002	85,875	30,010,701	35,712	4.60%
2003	85,875	30,556,012	36,526	4.30%
2004	85,875	31,972,899	38,417	6.10%
2005	85,875	33,087,346	39,937	5.70%
2006	85,875	N/A	N/A	5.80%

- Sources:
- (1) Population estimates provided by U.S. Census Bureau
  - (2) Bureau of Economic Analysis Data. Information for Hamilton County
  - (3) State of Ohio Bureau of Employment Services Annual averages. Information for Hamilton County
  - (4) Ohio Bureau of Employment Services, rates for Hamilton County

N/A - Information not available

Northwest Local School District  
Principal Employers (1)  
Current Year (2)  
Schedule 16

Employers	2006 (3)	
	Employees	Percentage of Total Total Employment
1. University of Cincinnati	15,400	9.91%
2. Kroger	15,100	9.72%
3. Health Alliance of Greater Cincinnati	13,750	8.85%
4. Proctor & Gamble	12,250	7.88%
5. Tri Health Inc.	8,900	5.73%
6. Childrens Hospital Medical Center	8,875	5.71%
7. Fifth Third Bank	8,850	5.69%
8. G.E. Aviation	7,100	4.57%
9. Mercy Health Partners	6,750	4.34%
10. Hamilton County	6,180	3.98%
	<u>103,155</u>	<u>66.37%</u>

Source: Hamilton County Chamber of Commerce

(1) - Hamilton County

(2) - Only prior fiscal year information available. Information from nine years prior is not available.

(3) - Data current as of December, 2005

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

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

Source: District records.

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

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

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil		Percentage Change	Expenses (3)	Cost Per Pupil (4)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			Per Pupil (2)	Per Pupil (4)							
1998	10,488	\$59,262,504	\$5,651	N/A	10.40%	N/A	N/A	N/A	611	17.17	21.87%
1999	10,446	64,474,905	6,172	N/A	9.23%	N/A	N/A	N/A	627	16.66	19.74%
2000	10,465	66,850,727	6,388	N/A	3.50%	N/A	N/A	N/A	642	16.30	19.55%
2001	10,510	72,257,380	6,875	N/A	7.62%	N/A	N/A	N/A	670	15.69	21.61%
2002	10,504	77,461,582	7,374	\$78,057,061	7.26%		\$7,431	N/A	678	15.49	21.53%
2003	10,646	79,465,680	7,464	81,438,457	1.22%		7,650	2.94%	665	16.01	23.30%
2004	10,647	85,554,229	8,036	87,956,305	7.65%		8,261	7.99%	673	15.82	24.09%
2005	10,561	89,885,348	8,511	91,987,055	5.92%		8,710	5.43%	690	15.31	27.86%
2006	10,332	88,865,859	8,601	91,244,899	1.06%		8,831	1.39%	665	15.54	29.36%
2007	10,370	90,321,279	8,710	92,457,640	1.27%		8,916	0.96%	653	15.88	30.95%

Source: District records

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

(2) - Operating Expenditure by Enrollment

(3) - Expenses is Total Expenses from Schedule 2

(4) - Expenses by Enrollment

N/A - Information not available

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

School	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Elementary										
Colerain Elementary - 1923										
Square feet	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934
Capacity (1)	850	850	850	850	850	850	850	850	850	850
Enrollment	759	757	725	706	702	699	689	695	667	668
Bevis Elementary - 1970										
Square feet	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640	48,640
Capacity (1)	600	600	600	600	600	600	600	600	600	600
Enrollment	560	560	548	533	536	506	496	486	489	490
Houston Elementary - 1966										
Square feet	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826	62,826
Capacity (1)	600	600	600	600	600	600	600	600	600	600
Enrollment	598	593	530	517	509	495	479	475	422	422
Monfort Heights Elementary - 2000										
Square feet	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787
Capacity (1)	700	700	700	700	700	700	700	700	700	700
Enrollment	648	648	706	670	671	751	791	728	717	718
Pleasant Run Elementary - 1961										
Square feet	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751	54,751
Capacity (1)	575	575	575	575	575	575	575	575	575	575
Enrollment	570	570	551	540	537	556	522	509	500	500
Struble Elementary - 1959										
Square feet	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Capacity (1)	376	376	376	376	376	376	376	376	376	376
Enrollment	427	427	435	400	394	350	377	376	404	405
Taylor Elementary - 1960										
Square feet	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262	56,262
Capacity (1)	525	525	525	525	525	525	525	525	525	525
Enrollment	453	453	426	431	526	540	527	500	470	493
Weigel Elementary - 1965										
Square feet	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057	55,057
Capacity (1)	500	500	500	500	500	500	500	500	500	500
Enrollment	504	504	494	478	492	468	480	505	498	502
Welch Elementary - 1977										
Square feet	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800
Capacity (1)	425	425	425	425	425	425	425	425	425	425
Enrollment	397	392	371	356	345	367	357	349	372	372

Source: District records

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

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

School	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Junior High School										
Colerain Middle - 1932										
Square feet	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591	77,591
Capacity (1)	675	675	675	675	675	675	675	675	675	675
Enrollment	682	672	681	721	716	725	718	730	719	720
Pleasant Run Middle - 1969										
Square feet	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230	108,230
Capacity (1)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	1,038	1,028	1,027	1,008	1,002	1,009	993	923	880	879
White Oak Middle - 1961										
Square feet	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950	81,950
Capacity (1)	735	735	735	735	735	735	735	735	735	735
Enrollment	706	701	778	819	817	846	807	782	766	773
High School										
Colerain High - 1964										
Square feet	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768	193,768
Capacity (1)	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Enrollment	1,916	1,911	1,927	2,021	1,965	2,058	2,176	2,277	2,215	2,215
Northwest High - 1972										
Square feet	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345	163,345
Capacity (1)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	1,230	1,230	1,266	1,310	1,292	1,276	1,235	1,226	1,213	1,213

Source: District records

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

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**Mary Taylor, CPA**  
Auditor of State

**NORTHWEST LOCAL SCHOOL DISTRICT**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 1, 2008**