

NORTHWEST LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2010



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Northwest Local School District, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

January 14, 2011

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NORTHWEST LOCAL SCHOOL DISTRICT, OHIO
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2010

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution)</i>				
National School Lunch Program	n/a	10.555	\$ 259,549	259,549
<i>Cash Assistance</i>				
School Breakfast Program	05PU-2009	10.553	173,623	173,623
National School Lunch Program	LLP4-2009	10.555	1,363,274	1,363,274
<i>Cash Assistance Subtotal</i>			<u>1,536,897</u>	<u>1,536,897</u>
Nutrition Cluster Total			<u>1,796,446</u>	<u>1,796,446</u>
Total U.S. Department of Agriculture			<u>1,796,446</u>	<u>1,796,446</u>
<u>U.S. Department of Education:</u>				
<i>(Passed through Fairfield City School District)</i>				
Teaching American History Grant	n/a	84.215	<u>91,069</u>	<u>91,069</u>
<i>(Passed through Ohio Department of Education)</i>				
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	265,620	200,408
Title I Grants to Local Educational Agencies	C1S1-2010	84.010	1,574,300	1,598,268
Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2009	84.010	1,791	-
Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2010	84.010	19,166	30,007
ARRA - Title I Grants to Local Educational Agencies	C1S1-2010	84.389	554,731	541,417
ARRA - Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2010	84.389	-	3,960
Title I, Part A Cluster Total			<u>2,415,608</u>	<u>2,374,060</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2009	84.027	194,493	253,078
Special Education - Grants to States	6BSF-2010	84.027	2,053,560	2,020,818
Special Education - Preschool Grants	PGS1-2009	84.173	14,980	412
Special Education - Preschool Grants	PGS1-2010	84.173	28,300	28,749
ARRA - Special Education - Grants to States	6BSF-2010	84.391	2,244,456	2,347,576
ARRA - Special Education - Preschool Grants	PGS1-2010	84.392	61,349	61,349
Special Education Cluster Total			<u>4,597,138</u>	<u>4,711,982</u>
ARRA - Education of Homeless Children and Youth	ARRA-2010	84.387	<u>526</u>	<u>526</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2009	84.186	4,859	10,486
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2010	84.186	36,453	36,539
			<u>41,312</u>	<u>47,025</u>
State Grants for Innovative Programs	C2S1-2009	84.298	<u>37</u>	<u>246</u>
Education Technology State Grants Cluster:				
Education Technology State Grants	TJS1-2009	84.318	-	573
Education Technology State Grants	TJS1-2010	84.318	10,524	12,979
ARRA - Education Technology State Grants	TJS1-2010	84.386	58,760	56,431
Education Technology State Grants Cluster Total			<u>69,284</u>	<u>69,983</u>
English Language Acquisition Grants	T3S1-2009	84.365	2,104	1,864
English Language Acquisition Grants	T3S1-2010	84.365	41,804	43,139
			<u>43,908</u>	<u>45,003</u>
Improving Teacher Quality State Grants	TRS1-2009	84.367	26,671	40,863
Improving Teacher Quality State Grants	TRS1-2010	84.367	311,537	318,784
			<u>338,208</u>	<u>359,647</u>
ARRA - State Fiscal Stabilization - Education State Grants	ARRA-2010	84.394	<u>1,799,308</u>	<u>1,758,530</u>
Total U.S. Department of Education			<u>9,396,398</u>	<u>9,458,071</u>

(Continued)

NORTHWEST LOCAL SCHOOL DISTRICT, OHIO
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2010
 (Continued)

<u>Federal Grantor/Program Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Improving Health & Education Outcome	n/a	93.110	<u>200</u>	<u>200</u>
Total Federal Awards			\$ <u>11,193,044</u>	<u>11,254,717</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - NUTRITION CLUSTER

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

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

To the Board of Education
Northwest Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the "School District") as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance And Other Matters

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

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We noted certain matters that we reported to management of the School District in a separate letter dated December 17, 2010.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 17, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education
Northwest Local School District:

Compliance

We have audited the Northwest Local School District's ("School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questions costs as item 2010-1.

Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the

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purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-1. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 17, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 17, 2010

NORTHWEST LOCAL SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2010

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes
Type of auditors’ report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	yes

Identification of major programs:

Title I, Part A Cluster:
 CFDA 84.010 – *Title I Grants to Local Educational Agencies*
 CFDA 84.389 – *ARRA-Title I Grants to Local Educational Agencies*

Special Education Cluster:
 CFDA 84.027 – *Special Education – Grants to States*
 CFDA 84.173 – *Special Education – Preschool Grants*
 CFDA 84.391 – *ARRA-Special Education – Grants to States*
 CFDA 84.392 – *ARRA-Special Education – Preschool Grants*

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

CFDA 84.394 – *ARRA-State Fiscal Stabilization Fund – Education State Grants*

CFDA 84.367 – *Improving Teacher Quality State Grants*

Dollar threshold to distinguish between Type A and Type B Programs:	\$337,641
Auditee qualified as low-risk auditee?	no

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

DEPARTMENT OF EDUCATION

Finding 2010-1 – Special Education Cluster - CFDA No. 84.027, CFDA No. 87.173, CFDA No. 84.391 and CFDA No. 84.392

Condition: We performed tests to determine if the School District was properly preparing semi-annual certifications for employees that work solely on a specific federal program to support salaries and wages. We noted these certifications were not prepared for a number of employees to support salaries and wages.

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

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

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

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

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

NORTHWEST LOCAL SCHOOL DISTRICT

Schedule of Prior Audit Findings

Year Ended June 30, 2010

Financial Statement Findings

Finding 2009-1 – Audit Adjustment

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

Status: Corrected

Federal Award Findings

Finding 2009-2 – Allowable Costs/Cost Principles for Special Education Cluster - CFDA No. 84.027 and CFDA No. 87.173

During the prior audit, it was noted that the Schools District did not properly complete on a semi-annual basis the certifications required for employees expected to work solely on a single Federal award or cost objective.

Status: Finding was repeated as Finding 2010-1.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010



NORTHWEST LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO

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**NORTHWEST LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

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INTRODUCTORY SECTION





NORTHWEST LOCAL SCHOOL DISTRICT

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

BOARD:

Pamela Detzel, President
David Denny, Vice President
Jim Detzel, Member
Elaine Gauck, Member
Dan Unger, Member

J. Richard Glatfelter, Superintendent
Randall R. Bertram, Treasurer/CFO

December 31, 2010

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 for the fiscal year ended June 30, 2010, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Clark, Schaefer, Hackett & Co. and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, 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 CAFR is also available on the Treasurer's page on the Northwest Local School District website (<http://www.nwlsd.org>) under the Treasurer's page.

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 report 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, Heaven's Treasures Academy, LaSalle High School, Our Lady of Grace, Saint Bernard, Saint Ignatius, Saint James, Saint Joseph Villa and Saint John Elementary Schools. While these organizations administer operational and service similar with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, in a suburb of Cincinnati, in the north part of Hamilton County. Approximately 80% of the District's tax base is agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains optimistic despite current economic conditions. Unemployment rates are consistent with national and state averages. Real estate values are remaining stronger than anticipated while optimism for recovery continues.

The District is continually challenged by the responsibility bestowed upon it by the community at large. We strive to provide the very best opportunities to every student, while carefully overseeing 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, Fairfield, Green, Ross and Springfield Townships, with Colerain Township serving as its nucleus. Since 1960, the growth pattern in the District has been steady.

The District currently educates 9,637 students in two high schools, three middle schools, eight elementary schools and two career centers. Each high school has an on-campus career center offering such programs as word processing, accounting and computing, data processing, diesel mechanics, machine tool technology, facilities management and electronics offered by Butler Tech. Students also can attend off-site career technical programs offered by Butler Tech.

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2009 Enrollment</i>
1923	Colerain Elementary 4850 Poole Road	856
1932	Colerain Middle School 4700 Poole Road	669
1959	Struble Elementary 2760 Jonrose Avenue	409
1960	Taylor Elementary 3173 Springdale Road	521
1961	White Oak Middle School 3130 Jessup Road	721
1961	Pleasant Run Elementary 11765 Hamilton Avenue	418
1964	Colerain High School 8801 Cheviot Road	2,165

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2009 Enrollment</i>
1965	Weigel Elementary 3242 Banning Road	488
1969	Pleasant Run Middle 11770 Pippin Road	816
1970	Bevis Elementary 10133 Pottinger Road	440
1972	Northwest High School 10761 Pippin Road	1,102
1977	Welch Elementary 12084 Deerhorn Drive	367
2000	Monfort Heights Elementary 3711 West Fork Road	665

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

Welch is a primary school with grades K through 2.

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

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education is a five 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, 2010, were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Jim Detzel	January, 2008	December, 2011	Business Executive
Pamela Detzel	January, 1998	December, 2013	Business Executive
David Denny	January, 2010	December, 2013	Business Executive
Elaine Gauck	January, 2010	December, 2013	Business Executive
Dan Unger	January, 2008	December, 2011	Business Executive

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Richard Glatfelter was appointed Superintendent in 2006. Mr. Glatfelter received his Bachelor of Science in Education from the University of Cincinnati and earned two Master degrees from the University of Cincinnati. He has been employed by the Northwest Local School District for the past 40 years. During this tenure, Mr. Glatfelter has served as a teacher, assistant principal, administrative assistant, director and assistant superintendent.

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

EMPLOYEE RELATIONS

The District currently has approximately 1,179 full-time employees. The number of employees has been steady for the last several years. During the 2010 fiscal year, the District paid, from its General Fund \$47,912,628 in salaries and wages, and \$15,899,277 in fringe benefits, such as retirement contributions, Medicare taxes, workers' compensation, and life, dental and health benefits.

The District's teachers are represented for collective bargaining purposes by the Northwest Association of Educators [NAE]. The District has a three year collective bargaining agreement with NAE which expires August 31, 2012. The District's transportation employees are represented for collective bargaining purposes by the Ohio Association of Public School Employees [OAPSE]. The District has a three year collective bargaining agreement with OAPSE which expires June 30, 2013.

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 6,100 students each day. The District fleet of 99 buses travels over 6,425 miles each day transporting to 25 different sites. In addition to making more than 528 daily runs, the department transported both public and non-public students on 1,652 extra-curricular trips during the year.

The food service department served 877,468 plate lunches and 144,635 breakfasts 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 reimbursable breakfast program at four elementary sites and one middle school site, as well as a la carte breakfast at the District's two high schools.

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 409 students in specific trades through career technical education. Over 1,497 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 329 students participated in the gifted program. The District presented 715 high school diplomas in 2010.

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 2010-2011 AND BEYOND

- Continue to provide a quality education for each student in the District
- Continue to align district curriculum to state Academic Content Standards
- Achieve district and state targets for student achievement
- Continue to achieve an Excellent rating on the Local Report Card
- Meet the federal mandates of No Child Left Behind
- Recruit and retain quality staff

- Provide time and resources for high quality professional development at the District and building levels
- Continue to utilize technology to support student learning
- Increase enrichment and intervention opportunities for students K-12

DISTRICT GOALS AND STRATEGIES FOR 2010-2011

DISTRICT FOCUS: Meet all state and federal accountability standards.

Goal 1: By the end of SY2011-12, student performance of the proficiency rates for state and local reading assessments will have improved by the following annual increments: All students-1%, ED-2%, SWD-6%.

1. A Align, implement and monitor scientifically research-based reading curriculum, instruction and assessment with the state's challenging academic content standards.
1. B Implement and monitor the Response to Intervention (RTI) Framework throughout the district.
1. C Implement a system of professional development that ensures that all teachers are teaching an aligned ELA curriculum that promotes higher level thinking skill, using data to inform instruction and meeting Highly Qualified Teacher Requirements.

Goal 2: By the end of SY2011-12, student performance on the proficiency rates for state and local math assessments will have improved by the following annual increments: All Students-1%, ED-4%, AA-4%, SWD-6%.

2. A Align, implement and monitor scientifically research-based math curriculum, instruction and assessment with the state's challenging academic content standards.
2. B Implement and monitor the Response to Intervention (RTI) Framework throughout the district.
2. C Implement a system of professional development that ensures that all teachers are teaching an aligned Math curriculum that promotes higher level thinking skills, using data to inform instruction and meeting Highly Qualified Teacher Requirements.

Goal 3: Establish positive Climate/Culture in all schools.

3. A Implement and monitor a system of academic and behavior supports for all students that will reduce the suspension and expulsion rates.
3. B Provide and monitor high quality professional development for all staff on implementing Culturally Responsive Practices (CRP).

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

- 4. A Develop and utilize a Family and Civic Engagement Team that supports collaboration throughout the school community.
- 4. B Provide resources, information and training to parents that will contribute to the academic, emotional and social success of their child.
- 4. C Improve the information flow to the community.
- 4. D Continue to seek input from the community critical district issues

Goal 5: To organize, implement and assess all required tasks and projects required in the district's RttT Scope of Work...

- 5. A Negotiate all required working condition MOUs with the Northwest Association of Educators.
- 5. B Develop a Transition Team, as stipulated in the RttT guidelines, to manage the RttT projects.
- 5. C Organize teams to plan and implement of all the Scope of Work projects that are not part of the current district improvement plans.

Goal 6: Increase student access to curricular and co-curricular enrichment programs

- 6. A Improve and expand enrichment programs offered before school, after school, during school and during the summer in all schools.

Goal 7: Continue three-year budget planning to reduce the rate of increase in district expenditures.

- 7. A Reduce Expenditures in selected cost centers
- 7. B Examine the cost effectiveness of current facilities.

Goal 8: Increase district revenue

- 8. A Increase tax revenue
- 8. B Increase revenue from grants and other sources

CURRICULUM AND INSTRUCTION

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

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

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

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

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

BUSINESS-SCHOOL PARTNERSHIP PROGRAM

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

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

LONG-RANGE BUILDING AND MAINTENANCE PLANS

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

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 assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from implementation.

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

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

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

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

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished monthly reports showing the status of the budget accounts for which he or she is responsible. Each program manager may request or access electronically 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 include information for individual major funds, rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

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

As part of this report, management is responsible for preparing a Management’s Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District’s finances for 2010 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 \$202,298 for the year ended June 30, 2010.

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 Trident provides our liability insurance and insures our fleet of vehicles.

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

The Treasurer and the District plumber are covered with performance bonds from the Cincinnati Insurance Company in the amount of \$20,000 each. The District uses the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries.

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Clark, Schaefer, Hackett and Company performed the audit for the fiscal year ended June 30, 2010. The auditor's unqualified opinion rendered on the District's basic financial statements 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, 2009. 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, 2009. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2010, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2010 Comprehensive Annual Financial Report of the Northwest Local School District was made possible by the combined efforts of the District's Treasurer's Department and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,

A handwritten signature in cursive script that reads "Randall R. Bertram". The signature is written in black ink and is positioned above the printed name and title.

Randall R. Bertram
Treasurer/CFO

Principal officials as of 6/30/10

Elected Officials

Pamela Detzel	President, Board of Education
David Denny	Vice President, Board of Education
Elaine Gauck	Board Member
Dan Unger	Board Member
Jim Detzel	Board Member

Administrative Office Administrators

J. Richard Glatfelter	Superintendent
Mark Farmer	Assistant Superintendent for Curriculum Services
Andrew Jackson	Director of Curriculum Services
Daniel Lawler	Assistant Director Business Services
Pauletta Crowley	Asst. Director Community & Adm Services
Roger Argalas	Assistant Director of Student Services
Gregory Hester	Director of Human Resources
Traci Rea	Asst. Director of Classified Staff & Prof. Dev.
Randall R. Bertram	Treasurer/CFO
Kris Lankford	Assistant Treasurer

District Supervisors

Andreas Scheidt	Maintenance
Robert Engel	Transporation
LaDonna Stouder	Technology
Mary Barnaclo	Special Education
Sandy Blanck	Special Education
Kimberly Jones	Special Education
Barbara Kalbli	Special Education
Susan Meymann	Intervention Services
Allen Moellman	Intervention Services
Cheryl Romans	Food Services
Daniel Hudson	Instructional Accountability Services
Grace Seurkamp	Payroll/Compliance
Kenneth Lewis	Enrollment Services

Curriculum Instructional Specialists and Coordinators

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

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, 2009

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

NORTHWEST LOCAL SCHOOL DISTRICT, OHIO

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

President

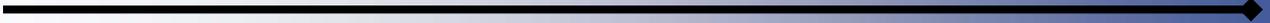
Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District (the "School District") as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Local School District as of June 30, 2010, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 17, 2010

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010
(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, 2010. 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 2010 are as follows:

- Net assets of governmental activities increased \$2,433,012 which represents a 8% increase from 2009.
- General revenues accounted for \$78,864,413 in revenue or 79% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$20,521,321 or 21% of total revenues of \$99,385,734
- The District had \$96,952,722 in expenses related to governmental activities; \$20,521,321 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$78,864,413 were also used to provide for these programs.

Overview of the Financial Statements

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

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2010?" 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.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010
(Unaudited)**

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

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

Fund Financial Statements

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

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

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

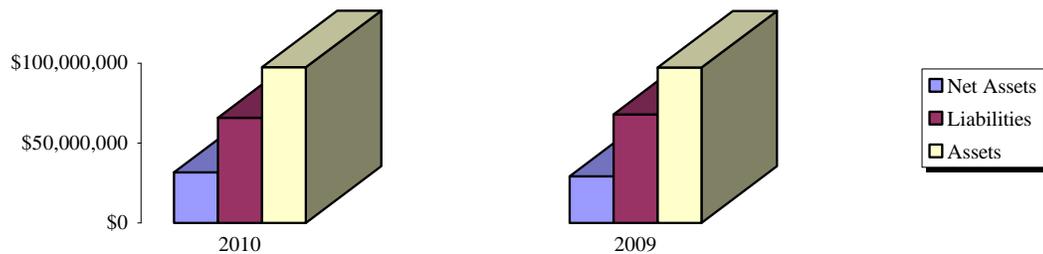
**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010
(Unaudited)**

The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for fiscal year 2010 compared to fiscal year 2009:

Table 1
Net Assets

	Governmental Activities	
	2010	2009
Assets:		
Current and Other Assets	\$73,638,036	\$73,902,375
Capital Assets	<u>23,729,553</u>	<u>23,269,784</u>
Total Assets	<u>97,367,589</u>	<u>97,172,159</u>
Liabilities:		
Other Liabilities	42,081,750	43,162,154
Long-Term Liabilities	<u>23,698,306</u>	<u>24,855,484</u>
Total Liabilities	<u>65,780,056</u>	<u>68,017,638</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	4,824,453	3,408,154
Restricted	4,294,401	4,545,762
Unrestricted	<u>22,468,679</u>	<u>21,200,605</u>
Total Net Assets	<u><u>\$31,587,533</u></u>	<u><u>\$29,154,521</u></u>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$31,587,533

At year-end, capital assets represented 24% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2010, was \$4,824,453. 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.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010
(Unaudited)**

A portion of the District's net assets, \$4,294,401 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current and other assets decreased mainly due to a decrease in taxes receivable. The decrease in taxes receivable was the result of a decrease in anticipated property taxes revenue to be received in fiscal year 2011 due to the recent economic downturn. The decrease in taxes receivable resulted in a decrease in unearned revenue, which explains the decrease in other liabilities in 2010 as compared to 2009.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

Table 2
Changes in Net Assets

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues		
Charges for Services	\$4,897,104	\$4,978,656
Operating Grants, Contributions	15,592,209	11,795,565
Capital Grants and Contributions	32,008	184,366
General Revenues:		
Property Taxes	41,597,817	43,437,426
Grants and Entitlements	33,399,642	35,319,550
Other	3,866,954	5,486,765
Total Revenues	<u>99,385,734</u>	<u>101,202,328</u>
Program Expenses:		
Instruction	52,481,465	49,951,460
Support Services:		
Pupil and Instructional Staff	12,033,309	10,965,888
School Administrative, General Administration, Fiscal and Business	8,043,253	8,662,900
Operations and Maintenance	7,821,491	7,029,199
Pupil Transportation	5,078,256	4,595,467
Central	1,970,404	1,586,120
Operation of Non-instructional Services	6,746,827	8,306,507
Extracurricular Activities	1,861,932	1,861,017
Interest and Fiscal Charges	915,785	964,410
Total Program Expenses	<u>96,952,722</u>	<u>93,922,968</u>
Change in Net Assets	2,433,012	7,279,360
Net Assets Beginning of Year	<u>29,154,521</u>	<u>21,875,161</u>
Net Assets End of Year	<u>\$31,587,533</u>	<u>\$29,154,521</u>

**Northwest Local School District
Management’s Discussion and Analysis
For the Fiscal Year ended June 30, 2010
(Unaudited)**

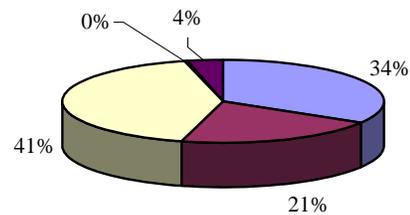
Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general, debt service, and capital projects purposes and grants and entitlements comprised 75% 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 42% of revenue for governmental activities for the District in fiscal year 2010. The District’s reliance upon tax revenues is demonstrated by the following graph:

<u>Revenue Sources</u>	<u>2010</u>	<u>Percent of Total</u>
General Grants	\$33,399,642	33.61%
Program Revenues	20,521,321	20.65%
General Tax Revenues	41,597,817	41.85%
Investment Earnings	202,298	0.20%
Other Revenues	3,664,656	3.69%
	<u>\$99,385,734</u>	<u>100.00%</u>



Instruction comprises 54% of governmental program expenses. Support services expenses were 36% of governmental program expenses. Interest and all other expenses were 10%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

General revenues decreased mainly due to a decrease in grants and entitlements, which was primarily due to a decrease in grant monies received in 2010 as compared to 2009 and a decrease in taxes revenues received in 2010 from 2009. Total expenses increased mainly due to an increase in instructional costs which was the result of general inflationary factors.

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.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010
(Unaudited)**

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Instruction	\$52,481,465	\$49,951,460	(\$44,231,658)	(\$44,215,996)
Support Services:				
Pupil and Instructional Staff	12,033,309	10,965,888	(10,532,656)	(9,165,730)
School Administrative, General				
Administration, Fiscal and Business	8,043,253	8,662,900	(7,048,665)	(7,891,651)
Operations and Maintenance	7,821,491	7,029,199	(5,909,791)	(6,401,924)
Pupil Transportation	5,078,256	4,595,467	(4,573,760)	(4,077,219)
Central	1,970,404	1,586,120	(1,934,652)	(1,573,933)
Operation of Non-Instructional Services	6,746,827	8,306,507	(68,587)	(1,617,156)
Extracurricular Activities	1,861,932	1,861,017	(1,215,847)	(1,056,362)
Interest and Fiscal Charges	915,785	964,410	(915,785)	(964,410)
Total Expenses	\$96,952,722	\$93,922,968	(\$76,431,401)	(\$76,964,381)

The District's Funds

The District has one major governmental fund: the General Fund. Assets of the General Fund comprised \$62,720,111 (85%) of the total \$73,744,002 governmental funds assets.

General Fund: Fund balance at June 30, 2010 was \$23,487,691 including \$10,221,736 of unreserved balance. The primary reason for the increase in fund balance was due to a decrease in special instruction expenditures which was the result of using grant (ARRA) funds to cover special instructional costs.

General Fund Budgeting Highlights

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

During the course of fiscal year 2010, the District amended its general fund budget one time, however, it was not significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$82,995,591, compared to original budget estimates of \$85,012,374. Of the \$2,016,783 difference, most was due to an overestimate for taxes and intergovernmental revenue.

The District's ending unobligated cash balance was \$19,027,114.

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010
(Unaudited)**

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the District had \$23,729,553 invested in land, buildings and improvements and equipment. Table 4 shows fiscal year 2010 balances compared to fiscal year 2009:

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

	Governmental Activities	
	2010	2009
Land	\$3,668,199	\$3,668,199
Buildings and Improvements	18,050,952	18,086,045
Equipment	2,010,402	1,515,540
Total Net Capital Assets	<u>\$23,729,553</u>	<u>\$23,269,784</u>

The increase in capital assets is due to total additions for classroom equipment exceeding total depreciation expense.

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

Debt

At June 30, 2010, the District had \$19,152,404 in bonds and leases outstanding, \$990,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2010	2009
Refunded Bonds:		
Current Interest Bonds	\$14,135,000	\$14,335,000
Capital Appreciation Bonds	720,000	720,000
Accretion of Interest	247,304	186,255
Premium on Refunded Bonds	420,100	456,630
1998 School Improvements	3,630,000	4,350,000
Capital Leases	<u>0</u>	<u>431,679</u>
Total Bonds and Capital Leases	<u>\$19,152,404</u>	<u>\$20,479,564</u>

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

**Northwest Local School District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010
(Unaudited)**

For the Future

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

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the funding for the OEBM started in FY10 by allocating funding for each year based on 99% of FY 09 funding and 98% of FY 10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY11. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

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

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

Contacting the District's Financial Management

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

Northwest Local School District
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$23,318,965
Receivables:	
Taxes	45,763,037
Accounts	139,010
Intergovernmental	4,220,325
Deferred Bond Issuance Costs	157,615
Inventory	39,084
Nondepreciable Capital Assets	3,668,199
Depreciable Capital Assets, Net	<u>20,061,354</u>
 Total Assets	 <u>97,367,589</u>
Liabilities:	
Accounts Payable	1,913,962
Accrued Wages and Benefits	9,150,651
Accrued Interest Payable	68,822
Unearned Revenue	30,948,315
Long-Term Liabilities:	
Due Within One Year	1,747,488
Due In More Than One Year	<u>21,950,818</u>
 Total Liabilities	 <u>65,780,056</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	4,824,453
Restricted for:	
Debt Service	1,410,655
Capital Projects	2,193,561
Endowment Expendable	15,707
Endowment Nonexpendable	79,000
Other Purposes	595,478
Unrestricted	<u>22,468,679</u>
 Total Net Assets	 <u>\$31,587,533</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, 2010

	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	\$40,306,492	\$1,027,877	\$688,724	\$32,008	(\$38,557,883)
Special	10,753,772	331,394	5,406,139	0	(5,016,239)
Vocational	70,724	0	43,443	0	(27,281)
Student Intervention	1,350,477	510,679	209,543	0	(630,255)
Support Services:					
Pupil	5,864,785	14,785	387,152	0	(5,462,848)
Instructional Staff	6,168,524	0	1,098,716	0	(5,069,808)
General Administration	178,161	0	0	0	(178,161)
School Administration	5,688,140	0	883,597	0	(4,804,543)
Fiscal	1,593,129	0	110,991	0	(1,482,138)
Business	583,823	0	0	0	(583,823)
Operations and Maintenance	7,821,491	613,381	1,298,319	0	(5,909,791)
Pupil Transportation	5,078,256	46,465	458,031	0	(4,573,760)
Central	1,970,404	0	35,752	0	(1,934,652)
Operation of Non-instructional Services	6,746,827	1,709,506	4,968,734	0	(68,587)
Extracurricular Activities	1,861,932	643,017	3,068	0	(1,215,847)
Interest and Fiscal Charges	915,785	0	0	0	(915,785)
Total Governmental Activities:	\$96,952,722	\$4,897,104	\$15,592,209	\$32,008	(76,431,401)

General Revenues:

Property Taxes Levied for:	
General Purposes	37,232,185
Debt Service Purposes	1,567,267
Capital Projects Purposes	2,798,365
Grants and Entitlements not Restricted to Specific Programs	33,399,642
Payment in Lieu of Taxes	2,983,732
Unrestricted Contributions	171,915
Investment Earnings	202,298
Other Revenues	509,009
Total General Revenues	78,864,413
Change in Net Assets	2,433,012
Net Assets Beginning of Year	29,154,521
Net Assets End of Year	\$31,587,533

See accompanying notes to the basic financial statements.

Northwest Local School District
Balance Sheet
Governmental Funds
June 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$19,402,652	\$3,916,313	\$23,318,965
Receivables:			
Taxes	40,038,117	5,724,920	45,763,037
Accounts	136,630	2,380	139,010
Intergovernmental	2,879,131	1,341,194	4,220,325
Interfund	263,581	0	263,581
Inventory	0	39,084	39,084
Total Assets	62,720,111	11,023,891	73,744,002
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	1,030,808	883,154	1,913,962
Accrued Wages and Benefits	8,123,769	1,026,882	9,150,651
Compensated Absences	307,595	0	307,595
Interfund Payable	0	263,581	263,581
Deferred Revenue	29,770,248	4,521,146	34,291,394
Total Liabilities	39,232,420	6,694,763	45,927,183
Fund Balances:			
Reserved for Encumbrances	118,955	433,753	552,708
Reserved for Inventory	0	39,084	39,084
Reserved for Property Tax Advances	13,147,000	1,586,000	14,733,000
Unreserved, Undesignated, Reported in:			
General Fund	10,221,736	0	10,221,736
Special Revenue Funds	0	427,040	427,040
Debt Service Fund	0	1,055,225	1,055,225
Capital Projects Funds	0	693,319	693,319
Permanent Funds	0	94,707	94,707
Total Fund Balances	23,487,691	4,329,128	27,816,819
Total Liabilities and Fund Balances	\$62,720,111	\$11,023,891	\$73,744,002

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, 2010

Total Governmental Fund Balance		\$27,816,819
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,729,553
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	2,960,853	
Intergovernmental	<u>382,226</u>	
		3,343,079
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.		(68,822)
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		(4,238,307)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		157,615
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(19,152,404)</u>
Net Assets of Governmental Activities:		<u><u>\$31,587,533</u></u>

See accompanying notes to the basic financial statements.

Northwest Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$36,764,309	\$4,334,864	\$41,099,173
Revenue in lieu of taxes	2,983,732	0	2,983,732
Tuition and Fees	1,615,133	0	1,615,133
Investment Earnings	201,170	1,128	202,298
Intergovernmental	35,657,867	14,621,856	50,279,723
Extracurricular Activities	0	524,755	524,755
Charges for Services	1,296,581	1,731,752	3,028,333
Other Revenues	34,210	375,345	409,555
Total Revenues	78,553,002	21,589,700	100,142,702
Expenditures:			
Current:			
Instruction:			
Regular	37,480,276	1,866,811	39,347,087
Special	6,270,710	4,466,271	10,736,981
Vocational	17,437	76,108	93,545
Student Intervention	1,095,396	170,929	1,266,325
Support Services:			
Pupil	5,379,849	375,995	5,755,844
Instructional Staff	5,045,582	1,154,179	6,199,761
General Administration	178,161	0	178,161
School Administration	4,748,532	801,461	5,549,993
Fiscal	1,439,304	141,911	1,581,215
Business	596,807	0	596,807
Operations and Maintenance	6,176,496	1,630,294	7,806,790
Pupil Transportation	4,765,069	637,517	5,402,586
Central	1,678,497	299,165	1,977,662
Operation of Non-instructional Services	184,645	6,533,432	6,718,077
Extracurricular Activities	1,323,717	535,047	1,858,764
Capital Outlay	0	990,767	990,767
Debt Service:			
Principal Retirement	431,679	920,000	1,351,679
Interest and Fiscal Charges	4,129	877,778	881,907
Total Expenditures	76,816,286	21,477,665	98,293,951
Excess of Revenues Over (Under) Expenditures	1,736,716	112,035	1,848,751
Other Financing Sources (Uses):			
Transfers In	0	61,649	61,649
Transfers (Out)	(60,000)	(1,649)	(61,649)
Total Other Financing Sources (Uses)	(60,000)	60,000	0
Net Change in Fund Balance	1,676,716	172,035	1,848,751
Fund Balance Beginning of Year	21,810,975	4,157,093	25,968,068
Fund Balance End of Year	<u>\$23,487,691</u>	<u>\$4,329,128</u>	<u>\$27,816,819</u>

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, 2010

Net Change in Fund Balance - Total Governmental Funds \$1,848,751

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	2,091,699	
Depreciation Expense	<u>(1,631,930)</u>	459,769

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

Payments in Lieu of Taxes	(1,195,728)	
Delinquent Property Taxes	498,644	
Intergovernmental	<u>(60,134)</u>	(757,218)

Repayment of bond and capital lease principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 1,351,679

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 3,776

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	(436,091)	
Amortization of Bond Issuance Cost	(13,135)	
Amortization of Bond Premium	36,530	
Bond Accretion	<u>(61,049)</u>	(473,745)

Change in Net Assets of Governmental Activities: \$2,433,012

See accompanying notes to the basic financial statements.

Northwest Local School District
Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2010

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$123,958
Receivables:	
Accounts	<u>185</u>
Total Assets	<u><u>124,143</u></u>
Liabilities:	
Accounts Payable	1,241
Other Liabilities	<u>122,902</u>
Total Liabilities	<u><u>\$124,143</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, 2010

Note 1 - Description of the District

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

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

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

The District currently has approximately 9,637 students enrolled in eight elementary schools, three middle schools, and two senior high schools. The District has two career centers serving junior and senior students. There are 1,179 full time employees to provide services to the students. The District is the 2nd largest public school district in Hamilton County and the 18th largest of all school districts in Ohio.

Reporting Entity

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

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

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

The following activities are included within the reporting entity:

Parochial/Private Schools - Within the District, Our Lady of Grace, St. Bernard, St. Ignatius, St. James, St. Joseph Villa and St. John Elementary Schools, and LaSalle High School are operated through the Cincinnati Catholic Diocese; 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 activities of these State monies by the District are reflected in the Special Revenue Funds for financial reporting purposes, because the District has administrative responsibility.

Note 2 - Summary of Significant Accounting Policies

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

Measurement Focus

Government-wide Financial Statements

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

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

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

Fiduciary Funds

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

Payments 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.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2A7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2010.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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 \$201,170 credited to the general fund and \$1,128 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 are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

Capital Assets

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

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

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

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

Compensated Absences

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

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

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	Not eligible	15-20 days at start of each contract year	10-20 days for each service year depending on length of service
Maximum Accumulation	Not applicable	60 to 80 days	40 to 80 days
Termination Entitlement	Not applicable	As earned	As earned
<u>Sick Leave</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)	1.25 days per month of employment (15 days per year)
Maximum Accumulation	250 days	262 days	250 to 272 days according to job classification
Vested	As earned	As earned	As earned
Termination Entitlement	Per contract	Per contract	Per contract

Net Assets

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the \$4,294,401 in restricted net assets, none were restricted by enabling legislation.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Interfund Activity

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

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

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

Fund Equity

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

Estimates

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

Note 3 - Equity in Pooled Cash and Investments

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

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

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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, 2010, all of the District's bank balance of \$261,891 was covered by FDIC.

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

Investments

As of June 30, 2010, the District had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Funds	\$1,065,386	0.00
STAROhio	35,062	0.15
Repurchase Agreement	9,080,973	0.00
Federal Home Loan Bank - Discount Note	5,513,619	1.73
Freddie Mac	2,958,156	3.66
Fannie Mae - Discount Note	1,757,153	0.47
Fannie Mae	3,032,574	2.70
	\$23,442,923	
Portfolio Weighted Average Maturity		1.24

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

Concentration of Credit Risk – The District’s investment policy allows investments in U.S. Agencies or Instrumentalities. The District has invested 39% of the District’s investments in Repurchase Agreement, 5% in Money Market Fund, 1% in STAROhio, 23% in Federal Home Loan Bank – Discount Note, 7% in Fannie Mae -- Discount, 12% in Freddie Mac, and 13% in Fannie Mae.

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

Note 4 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after April 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2011 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2010. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance \$13,147,000 in the General Fund and \$1,586,000 in Other Governmental Funds.

The assessed value, by property classification, upon which taxes collected in 2010 were based as follows:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,620,943,080
Public Utility Personal	35,300,900
Tangible Personal Property	<u>2,675,180</u>
Total	<u><u>\$1,658,919,160</u></u>

Note 5 – Receivables

Receivables at June 30, 2010, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$3,668,199	\$0	\$0	\$3,668,199
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	50,365,209	1,076,534	0	51,441,743
Equipment	12,404,894	1,015,165	1,180,092	12,239,967
Totals at Historical Cost	<u>66,438,302</u>	<u>2,091,699</u>	<u>1,180,092</u>	<u>67,349,909</u>
Less Accumulated Depreciation:				
Buildings and Improvements	32,279,164	1,111,627	0	33,390,791
Equipment	10,889,354	520,303	1,180,092	10,229,565
Total Accumulated Depreciation	<u>43,168,518</u>	<u>1,631,930</u>	<u>1,180,092</u>	<u>43,620,356</u>
Governmental Activities Capital Assets, Net	<u>\$23,269,784</u>	<u>\$459,769</u>	<u>\$0</u>	<u>\$23,729,553</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$885,365
Special	1,530
Vocational	8,912
Support Services:	
Pupil	250
Instructional Staff	590
School Administration	581
Fiscal	3,401
Operations and Maintenance	295,234
Pupil Transportation	306,579
Central	24,863
Operation of Non-Instructional Services	99,666
Extracurricular Activities	4,959
Total Depreciation Expense	<u>\$1,631,930</u>

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 7 - Long-Term Liabilities

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

	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
Governmental Activities:						
Bonds Payable:						
1998 School Improvement	12/1/2013	\$4,350,000	\$0	\$720,000	\$3,630,000	\$790,000
2005 Refunding Bonds:						
Current Interest Bonds	12/1/2022	14,335,000	0	200,000	14,135,000	200,000
Capital Appreciation Bonds	12/1/2015	720,000	0	0	720,000	0
Accretion of Interest		186,255	61,049	0	247,304	0
Premium on Bonds:						
2005 Refunding Bonds	12/1/2022	456,630	0	36,530	420,100	0
Capital Leases:						
Apple Lease #1		139,049	0	139,049	0	0
Apple Lease #2		292,630	0	292,630	0	0
Total Bonds and Capital Leases		20,479,564	61,049	1,388,209	19,152,404	990,000
Compensated Absences		4,375,920	1,184,587	1,014,605	4,545,902	757,488
Total Governmental Activities						
Long-Term Liabilities		<u>\$24,855,484</u>	<u>\$1,245,636</u>	<u>\$2,402,814</u>	<u>\$23,698,306</u>	<u>\$1,747,488</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.

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

The bond issue is a general obligation of the District for which the full faith and credit of the District is pledged for repayment. Payment of principal and interest relating to this liability is recorded as expenditures in the Debt Service Fund. Compensated absences will be paid from the General Fund for governmental activities.

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.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

Fiscal Year Ending June 30	1998 School Improvement & Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$990,000	\$829,008	\$1,819,008	\$0	\$0	\$0
2012	1,070,000	775,791	1,845,791	0	0	\$0
2013	1,155,000	717,715	1,872,715	0	0	\$0
2014	1,245,000	652,328	1,897,328	0	0	\$0
2015	1,190,000	590,353	1,780,353	0	0	\$0
2016-2020	6,300,000	2,257,217	8,557,217	720,000	660,000	\$1,380,000
2021-2023	5,815,000	403,090	6,218,090	0	0	\$0
Total	<u>\$17,765,000</u>	<u>\$6,225,502</u>	<u>\$23,990,502</u>	<u>\$720,000</u>	<u>\$660,000</u>	<u>\$1,380,000</u>

Note 8 – Leases

Capital Leases

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

The leases meet the criteria of capital leases as defined by FASB codification, which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee. Capital lease payments were made from the General fund.

The Capital Leases were completed with the final payment June 2010.

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

Note 9 - Prior Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2010, \$15,380,000 of bonds outstanding are considered defeased.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 10 - Pension Plans

School Employees Retirement System Of Ohio

Plan Description

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

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78%. The remaining 1.22% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2010, 2009, and 2008 were \$1,754,304, \$1,685,340 and \$1,678,632 respectively; 92% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

State Teachers Retirement System of Ohio

Plan Description

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Plan Options

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

DB Plan Benefits

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

DC Plan Benefits

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Combined Plan Benefits

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

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

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

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

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

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

Funding Policy

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2010, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2010, 2009, and 2008 were \$5,757,480, \$5,679,492 and \$5,801,556, respectively; 83% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 11 - Post Employment Benefits

School Employees Retirement System of Ohio

Plan Description

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

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40 for most participants, but could be as high as \$353.60 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was .76%. District contributions for the year ended June 30, 2010, 2009 and 2008 were \$95,234, \$90,286 and \$81,534, respectively, which equaled the required contributions each year.

Health Care Plan

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

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2010, the health care allocation was .46%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. The statute provides that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2010, 2009, and 2008 were \$57,641, \$500,787, and \$398,076, respectively; 92% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

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

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

State Teachers Retirement System of Ohio

Plan Description

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

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

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

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2010, 2009 and 2008. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2010, 2009, and 2008 were \$411,249, \$405,678, and \$414,397, respectively; 83% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Note 12 - Contingent Liabilities

Grants

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

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

Litigation

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

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2010, the District contracted with Cincinnati Insurance Company for property and Trident for general liability insurance.

Professional liability is protected by Trident with \$1,000,000 each occurrence, \$3,000,000 aggregate limit.

Vehicles are covered by Trident with \$500 deductible for comprehensive and \$500 deductible for collision.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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

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

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

The District has elected to provide employee medical/surgical benefits through United Health Care, 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 eligible employees through CoreSource, Inc.

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

Note 14 - Fund Balance Reserves for Set-Asides

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2009	(\$2,945,244)	\$0
Current Year Set Aside Requirements	1,520,761	1,520,761
Qualified Disbursements	(1,516,615)	(1,189,669)
Current Year Offsets	0	(331,092)
Total	<u>(\$2,941,098)</u>	<u>\$0</u>
Set Aside Carried Forward to FY 2011	<u>(\$2,941,098)</u>	

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

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 \$2,945,244, resulting in \$2,941,098 for carryover to offset textbook requirements in future years.

Note 15 - Interfund Balances/Transfers

Interfund transactions at June 30, 2010, consisted of the following interfund receivables and interfund payables, transfers in and transfers out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$263,581	\$0	\$0	\$60,000
Other Governmental Funds	0	263,581	61,649	1,649
Total All Funds	<u>\$263,581</u>	<u>\$263,581</u>	<u>\$61,649</u>	<u>\$61,649</u>

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

Note 16 – Accountability

The following funds had a deficit in fund balance:

Other Governmental Funds:	
Public Preschool	\$1,137
IDEA B Special Education	302,279
Title II-A	12,141
State Fiscal Stabilization	57,053
Title II-D	30,715

The deficit in fund balance was due to accruals in GAAP in all funds besides the Food Service Fund. The Food Service Fund had a deficit due to having actual expenditures in excess of appropriations. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

Northwest Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2010

Note 17 – Jointly Governed Organizations

The District is a participant in the Southwest Ohio Computer Association (SWOCA), a computer consortium. SWOCA is a jointly governed organization among a seven county consortium of 43 Ohio school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 43 school districts. The financial statements for SWOCA are available at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

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

REQUIRED SUPPLEMENTARY INFORMATION



Northwest Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$39,007,655	\$38,082,261	\$37,786,309	(\$295,952)
Revenue in lieu of taxes	3,268,037	3,190,508	3,165,713	(24,795)
Tuition and Fees	1,631,232	1,592,533	1,580,157	(12,376)
Investment Earnings	199,741	195,002	193,487	(1,515)
Intergovernmental	39,419,575	38,484,408	38,185,331	(299,077)
Charges for Services	1,357,288	1,325,089	1,314,791	(10,298)
Other Revenues	128,846	125,790	124,812	(978)
Total Revenues	85,012,374	82,995,591	82,350,600	(644,991)
Expenditures:				
Current:				
Instruction:				
Regular	40,705,287	39,058,505	38,676,926	381,579
Special	6,652,338	6,383,209	6,320,849	62,360
Vocational	27,798	26,674	26,413	261
Student Intervention	1,205,796	1,157,014	1,145,711	11,303
Support Services:				
Pupil	6,319,344	6,063,687	6,004,448	59,239
Instructional Staff	5,301,791	5,087,301	5,037,601	49,700
General Administration	110,439	105,971	104,936	1,035
School Administration	5,280,477	5,066,849	5,017,349	49,500
Fiscal	1,562,525	1,499,311	1,484,664	14,647
Business	655,892	629,357	623,209	6,148
Operations and Maintenance	6,694,619	6,423,780	6,361,023	62,757
Pupil Transportation	4,857,863	4,661,333	4,615,794	45,539
Central	1,846,323	1,771,628	1,754,320	17,308
Operation of Non-Instructional Services	282,425	271,000	268,352	2,648
Extracurricular Activities	1,426,511	1,376,705	1,355,427	21,278
Total Expenditures	82,929,428	79,582,324	78,797,022	785,302
Excess of Revenues Over (Under) Expenditures	2,082,946	3,413,267	3,553,578	140,311
Other Financing Sources (Uses):				
Advances In	185,703	181,298	179,889	(1,409)
Advances (Out)	(288,936)	(277,247)	(274,538)	2,709
Transfers In	8,300	8,103	8,040	(63)
Transfers (Out)	(71,608)	(68,711)	(68,040)	671
Total Other Financing Sources (Uses)	(166,541)	(156,557)	(154,649)	1,908
Net Change in Fund Balance	1,916,405	3,256,710	3,398,929	142,219
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,628,185	15,628,185	15,628,185	0
Fund Balance End of Year	\$17,544,590	\$18,884,895	\$19,027,114	\$142,219

See accompanying notes to the required supplementary information.

Northwest Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2010

Note 1 - Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2010.

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

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) 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.

Northwest Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2010

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	\$1,676,716
Revenue Accruals	3,797,598
Expenditure Accruals	(1,612,881)
Transfers In	8,040
Transfers (Out)	(8,040)
Advances In	179,889
Advances (Out)	(274,538)
Encumbrances	<u>(367,855)</u>
Budget Basis	<u><u>\$3,398,929</u></u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



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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.

Debt Service Fund

The Debt Service Fund is used for the accumulation of resources for and 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. The District has only one Debt Service Fund for fiscal year 2010.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities. The District has two Capital Projects Funds for fiscal year 2010, the Permanent Improvement Fund and the Ohio SchoolNet Fund.

Permanent Fund

The Permanent Fund is used to account for the financial resources that are restricted. Only the income earned can be used for specific purposes. The District only has one Permanent Fund for fiscal year 2010, the Endowment Fund.

Northwest Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$1,271,247	\$1,055,225	\$1,495,134	\$94,707	\$3,916,313
Receivables:					
Taxes	0	1,924,281	3,800,639	0	5,724,920
Accounts	2,380	0	0	0	2,380
Intergovernmental	1,341,194	0	0	0	1,341,194
Inventory	39,084	0	0	0	39,084
Total Assets	\$2,653,905	\$2,979,506	\$5,295,773	\$94,707	\$11,023,891
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$381,445	\$0	\$501,709	\$0	\$883,154
Accrued Wages and Benefits	1,026,882	0	0	0	1,026,882
Interfund Payable	263,581	0	0	0	263,581
Deferred Revenue	382,226	1,355,281	2,783,639	0	4,521,146
Total Liabilities	2,054,134	1,355,281	3,285,348	0	6,694,763
Fund Balances:					
Reserved for Encumbrances	133,647	0	300,106	0	433,753
Reserved for Inventory	39,084	0	0	0	39,084
Reserved for Property Tax Advances	0	569,000	1,017,000	0	1,586,000
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	427,040	0	0	0	427,040
Debt Service Fund	0	1,055,225	0	0	1,055,225
Capital Projects Funds	0	0	693,319	0	693,319
Permanent Funds	0	0	0	94,707	94,707
Total Fund Balances	599,771	1,624,225	2,010,425	94,707	4,329,128
Total Liabilities and Fund Balances	\$2,653,905	\$2,979,506	\$5,295,773	\$94,707	\$11,023,891

Northwest Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$0	\$1,556,223	\$2,778,641	\$0	\$4,334,864
Investment Earnings	1,128	0	0	0	1,128
Intergovernmental	13,958,164	226,759	436,933	0	14,621,856
Extracurricular Activities	524,755	0	0	0	524,755
Charges for Services	1,731,752	0	0	0	1,731,752
Other Revenues	278,638	0	0	96,707	375,345
Total Revenues	16,494,437	1,782,982	3,215,574	96,707	21,589,700
Expenditures:					
Current:					
Instruction:					
Regular	835,014	0	1,031,797	0	1,866,811
Special	4,466,271	0	0	0	4,466,271
Vocational	76,108	0	0	0	76,108
Student Intervention	170,929	0	0	0	170,929
Support Services:					
Pupil	374,625	0	1,370	0	375,995
Instructional Staff	1,154,179	0	0	0	1,154,179
School Administration	801,461	0	0	0	801,461
Fiscal	108,476	12,043	21,392	0	141,911
Operations and Maintenance	1,372,027	0	258,267	0	1,630,294
Pupil Transportation	224,849	0	412,668	0	637,517
Central	94,455	0	204,710	0	299,165
Operation of Non-instructional Services	6,533,432	0	0	0	6,533,432
Extracurricular Activities	533,047	0	0	2,000	535,047
Capital Outlay	0	0	990,767	0	990,767
Debt Service:					
Principal Retirement	0	920,000	0	0	920,000
Interest and Fiscal Charges	0	877,778	0	0	877,778
Total Expenditures	16,744,873	1,809,821	2,920,971	2,000	21,477,665
Excess of Revenues Over (Under) Expenditures	(250,436)	(26,839)	294,603	94,707	112,035
Other Financing Sources (Uses):					
Transfers In	61,649	0	0	0	61,649
Transfers (Out)	(1,649)	0	0	0	(1,649)
Total Other Financing Sources (Uses)	60,000	0	0	0	60,000
Net Change in Fund Balance	(190,436)	(26,839)	294,603	94,707	172,035
Fund Balance Beginning of Year	790,207	1,651,064	1,715,822	0	4,157,093
Fund Balance End of Year	\$599,771	\$1,624,225	\$2,010,425	\$94,707	\$4,329,128

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

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

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

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

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

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

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

Poverty Aid - To account for state funds used to provide various programs targeted for identified students.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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.

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.

State Fiscal Stabilization - To account for monies was part of the American Recovery and Reinvestment Act of 2009. This was intended to provide money to school districts to prevent layoffs and cutbacks, with flexibility to use the funds for school modernization and repairs.

Title II-D - To account for competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21st century.

Northwest Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Food Service	Career Consultant Grant	Underground Storage Tank	Athletic	Auxiliary Services
Assets:					
Equity in Pooled Cash and Investments	\$253,419	\$9,958	\$11,000	\$301,044	\$434,475
Receivables:					
Accounts	1,347	0	0	1,033	0
Intergovernmental	233,217	0	0	0	0
Inventory	39,084	0	0	0	0
Total Assets	\$527,067	\$9,958	\$11,000	\$302,077	\$434,475
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	519	84	0	14,818	112,678
Accrued Wages and Benefits	303,149	3,475	0	0	8,874
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	303,668	3,559	0	14,818	121,552
Fund Balances:					
Reserved for Encumbrances	465	1,425	0	6,069	81,221
Reserved for Inventory	39,084	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	183,850	4,974	11,000	281,190	231,702
Total Fund Balances	223,399	6,399	11,000	287,259	312,923
Total Liabilities and Fund Balances	\$527,067	\$9,958	\$11,000	\$302,077	\$434,475

Education Management Information System	Public Preschool	Ohio SchoolNet Professional Development	Ohio Reads	Entry Year Teacher Grant	Poverty Aid	IDEA B Special Education
\$21,162	\$3,917	\$0	\$0	\$13,210	\$0	\$81,914
0	0	0	0	0	0	0
0	10,969	0	0	0	0	400,095
0	0	0	0	0	0	0
<u>\$21,162</u>	<u>\$14,886</u>	<u>\$0</u>	<u>\$0</u>	<u>13,210</u>	<u>0</u>	<u>\$482,009</u>
9,430	0	0	0	0	0	31,937
0	16,023	0	0	0	0	490,172
0	0	0	0	0	0	152,291
0	0	0	0	0	0	109,888
<u>9,430</u>	<u>16,023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>784,288</u>
0	0	0	0	0	0	40,890
0	0	0	0	0	0	0
<u>11,732</u>	<u>(1,137)</u>	<u>0</u>	<u>0</u>	<u>13,210</u>	<u>0</u>	<u>(343,169)</u>
<u>11,732</u>	<u>(1,137)</u>	<u>0</u>	<u>0</u>	<u>13,210</u>	<u>0</u>	<u>(302,279)</u>
<u>\$21,162</u>	<u>\$14,886</u>	<u>\$0</u>	<u>\$0</u>	<u>\$13,210</u>	<u>\$0</u>	<u>\$482,009</u>

Continued

Northwest Local School District
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2010

	Title III LEP	Title I	Title V Innovative Projects	Drug Free Schools	Early Childhood Special Education
Assets:					
Equity in Pooled Cash and Investments	\$62	\$49,830	\$0	\$0	\$180
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	6,324	532,914	0	6,224	25,094
Inventory	0	0	0	0	0
Total Assets	\$6,386	\$582,744	\$0	\$6,224	25,274
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	49,998	0	0	17,089
Accrued Wages and Benefits	0	143,198	0	0	0
Interfund Payable	1,399	56,808	0	0	630
Deferred Revenue	3,525	201,549	0	6,224	3,034
Total Liabilities	4,924	451,553	0	6,224	20,753
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	1,462	131,191	0	0	4,521
Total Fund Balances	1,462	131,191	0	0	4,521
Total Liabilities and Fund Balances	\$6,386	\$582,744	\$0	\$6,224	\$25,274

Title II-A	Technology II-D	State Fiscal Stabilization	Title II-D	Total Nonmajor Special Revenue Funds
\$12,871	\$0	\$40,777	\$37,428	\$1,271,247
0	0	0	0	2,380
118,753	0	0	7,604	1,341,194
0	0	0	0	39,084
<u>\$131,624</u>	<u>\$0</u>	<u>40,777</u>	<u>45,032</u>	<u>\$2,653,905</u>
13,211	0	97,830	33,851	381,445
61,991	0	0	0	1,026,882
16,548	0	0	35,905	263,581
52,015	0	0	5,991	382,226
<u>143,765</u>	<u>0</u>	<u>97,830</u>	<u>75,747</u>	<u>2,054,134</u>
0	0	0	3,577	133,647
0	0	0	0	39,084
<u>(12,141)</u>	<u>0</u>	<u>(57,053)</u>	<u>(34,292)</u>	<u>427,040</u>
<u>(12,141)</u>	<u>0</u>	<u>(57,053)</u>	<u>(30,715)</u>	<u>599,771</u>
<u>\$131,624</u>	<u>\$0</u>	<u>\$40,777</u>	<u>\$45,032</u>	<u>\$2,653,905</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, 2010

	Food Service	Career Consultant Grant	Underground Storage Tank	Athletic	Auxiliary Services
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$1,128
Intergovernmental	1,833,786	44,025	0	0	2,363,238
Extracurricular Activities	0	0	0	524,755	0
Charges for Services	1,731,752	0	0	0	0
Other Revenues	234,564	27,476	800	13,395	144
Total Revenues	3,800,102	71,501	800	538,150	2,364,510
Expenditures:					
Current:					
Instruction:					
Regular	0	1,015	0	0	0
Special	0	0	0	0	0
Vocational	0	76,108	0	0	0
Student Intervention	0	0	0	0	0
Support Services:					
Pupil	0	2,350	0	0	0
Instructional Staff	0	20,826	0	0	0
School Administration	0	0	0	0	0
Fiscal	0	0	0	0	0
Operations and Maintenance	37,618	0	0	0	0
Pupil Transportation	0	0	0	61,224	0
Central	0	0	0	0	0
Operation of Non-instructional Services	3,498,990	0	0	0	2,300,005
Extracurricular Activities	0	0	0	530,049	0
Total Expenditures	3,536,608	100,299	0	591,273	2,300,005
Excess of Revenues Over (Under) Expenditures	263,494	(28,798)	800	(53,123)	64,505
Other Financing Sources (Uses):					
Transfers In	0	0	0	60,000	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	60,000	0
Net Change in Fund Balance	263,494	(28,798)	800	6,877	64,505
Fund Balance Beginning of Year	(40,095)	35,197	10,200	280,382	248,418
Fund Balance End of Year	\$223,399	\$6,399	\$11,000	\$287,259	\$312,923

Education Management Information System	Public Preschool	Ohio SchoolNet Professional Development	Ohio Reads	Entry Year Teacher Grant	Poverty Aid	IDEA B Special Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0
16,795	92,000	0	0	0	0	4,595,306
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	2,259	0	0	0
16,795	92,000	0	2,259	0	0	4,595,306
0	0	0	0	0	9,760	6,324
0	84,439	0	0	0	78,838	3,129,849
0	0	0	0	0	0	0
0	0	0	0	0	0	170,929
0	0	0	0	0	0	257,214
0	0	15	0	5,131	0	25,778
0	0	0	0	0	0	573,082
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	25,340	113,360
75,928	0	0	0	0	0	0
0	0	0	0	0	0	643,594
0	0	0	0	0	0	0
75,928	84,439	15	0	5,131	113,938	4,920,130
(59,133)	7,561	(15)	2,259	(5,131)	(113,938)	(324,824)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(59,133)	7,561	(15)	2,259	(5,131)	(113,938)	(324,824)
70,865	(8,698)	15	(2,259)	18,341	113,938	22,545
\$11,732	(\$1,137)	\$0	\$0	\$13,210	\$0	(\$302,279)

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, 2010

	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	45,218	2,476,515	0	36,452	111,709
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	45,218	2,476,515	0	36,452	111,709
Expenditures:					
Current:					
Instruction:					
Regular	0	275,602	0	34,314	0
Special	39,574	1,065,842	0	0	67,729
Vocational	0	0	0	0	0
Student Intervention	0	0	0	0	0
Support Services:					
Pupil	0	87,850	0	0	19,456
Instructional Staff	0	804,434	0	0	3,129
School Administration	0	97,208	0	0	0
Fiscal	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-instructional Services	0	81,612	157	2,139	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	39,574	2,412,548	157	36,453	90,314
Excess of Revenues Over (Under) Expenditures	5,644	63,967	(157)	(1)	21,395
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	5,644	63,967	(157)	(1)	21,395
Fund Balance Beginning of Year	(4,182)	67,224	157	1	(16,874)
Fund Balance End of Year	\$1,462	\$131,191	\$0	\$0	\$4,521

Title II-A	Technology II-D	State Fiscal Stabilization	Title II-D	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$1,128
381,846	91,069	1,799,308	70,897	13,958,164
0	0	0	0	524,755
0	0	0	0	1,731,752
0	0	0	0	278,638
<u>381,846</u>	<u>91,069</u>	<u>1,799,308</u>	<u>70,897</u>	<u>16,494,437</u>
234,357	91,069	146,531	36,042	835,014
0	0	0	0	4,466,271
0	0	0	0	76,108
0	0	0	0	170,929
0	0	7,755	0	374,625
153,013	0	76,759	65,094	1,154,179
0	0	131,171	0	801,461
0	0	108,476	0	108,476
0	0	1,334,409	0	1,372,027
0	0	24,925	0	224,849
0	0	18,527	0	94,455
0	0	4,810	2,125	6,533,432
0	0	2,998	0	533,047
<u>387,370</u>	<u>91,069</u>	<u>1,856,361</u>	<u>103,261</u>	<u>16,744,873</u>
<u>(5,524)</u>	<u>0</u>	<u>(57,053)</u>	<u>(32,364)</u>	<u>(250,436)</u>
0	0	0	1,649	61,649
0	(1,649)	0	0	(1,649)
0	(1,649)	0	1,649	60,000
(5,524)	(1,649)	(57,053)	(30,715)	(190,436)
(6,617)	1,649	0	0	790,207
<u>(\$12,141)</u>	<u>\$0</u>	<u>(\$57,053)</u>	<u>(\$30,715)</u>	<u>\$599,771</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, 2010

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,589,054	\$1,574,237	(\$14,817)
Charges for Services	1,789,532	1,772,845	(16,687)
Total Revenues	<u>3,378,586</u>	<u>3,347,082</u>	<u>(31,504)</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	42,929	43,097	(168)
Operation of Non-Instructional Services	<u>3,299,312</u>	<u>3,312,241</u>	<u>(12,929)</u>
Total Expenditures	<u>3,342,241</u>	<u>3,355,338</u>	<u>(13,097)</u>
Net Change in Fund Balance	36,345	(8,256)	(44,601)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>261,210</u>	<u>261,210</u>	<u>0</u>
Fund Balance End of Year	<u>\$297,555</u>	<u>\$252,954</u>	<u>(\$44,601)</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, 2010

	Career Consultant Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$44,025	\$44,025	\$0
Other Revenues	27,476	27,476	0
Total Revenues	<u>71,501</u>	<u>71,501</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,091	1,015	76
Vocational	80,482	74,898	5,584
Support Services:			
Pupil	2,525	2,350	175
Instructional Staff	22,422	20,866	1,556
Total Expenditures	<u>106,520</u>	<u>99,129</u>	<u>7,391</u>
Net Change in Fund Balance	(35,019)	(27,628)	7,391
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>36,077</u>	<u>36,077</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,058</u></u>	<u><u>\$8,449</u></u>	<u><u>\$7,391</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, 2010

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

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, 2010

	Athletic Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$653,582	\$524,485	(\$129,097)
Other Revenues	15,741	12,632	(3,109)
Total Revenues	<u>669,323</u>	<u>537,117</u>	<u>(132,206)</u>
Expenditures:			
Current:			
Support Services:			
Pupil Transportation	80,867	51,241	29,626
Extracurricular Activities	848,371	537,569	310,802
Total Expenditures	<u>929,238</u>	<u>588,810</u>	<u>340,428</u>
Excess of Revenues Over (Under) Expenditures	<u>(259,915)</u>	<u>(51,693)</u>	<u>208,222</u>
Other Financing Sources (Uses):			
Transfers In	74,768	60,000	(14,768)
Total Other Financing Sources (Uses)	<u>74,768</u>	<u>60,000</u>	<u>(14,768)</u>
Net Change in Fund Balance	(185,147)	8,307	193,454
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>282,617</u>	<u>282,617</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$97,470</u></u>	<u><u>\$290,924</u></u>	<u><u>\$193,454</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, 2010

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,127	\$1,128	\$1
Intergovernmental	2,362,096	2,363,238	1,142
Other Revenues	144	144	0
Total Revenues	2,363,367	2,364,510	1,143
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,916,724	2,635,628	281,096
Total Expenditures	2,916,724	2,635,628	281,096
Net Change in Fund Balance	(553,357)	(271,118)	282,239
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	553,359	553,359	0
Fund Balance End of Year	\$2	\$282,241	\$282,239

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, 2010

	Education Management Information System Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$62,292	\$16,795	(\$45,497)
Total Revenues	62,292	16,795	(45,497)
Expenditures:			
Current:			
Support Services:			
Central	87,660	85,269	2,391
Total Expenditures	87,660	85,269	2,391
Net Change in Fund Balance	(25,368)	(68,474)	(43,106)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	70,865	70,865	0
Fund Balance End of Year	\$45,497	\$2,391	(\$43,106)

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, 2010

	Public Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$117,664	\$106,696	(\$10,968)
Total Revenues	117,664	106,696	(10,968)
Expenditures:			
Current:			
Instruction:			
Regular	20,463	17,874	2,589
Special	88,284	77,116	11,168
Total Expenditures	108,747	94,990	13,757
Excess of Revenues Over (Under) Expenditures	8,917	11,706	2,789
Other Financing Sources (Uses):			
Advances (Out)	(8,917)	(7,789)	1,128
Total Other Financing Sources (Uses)	(8,917)	(7,789)	1,128
Net Change in Fund Balance	0	3,917	3,917
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$3,917	\$3,917

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, 2010

	Ohio SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	15	15	0
Total Expenditures	15	15	0
Net Change in Fund Balance	(15)	(15)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15	15	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, 2010

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Special	9,326	9,326	0
Total Expenditures	9,326	9,326	0
Net Change in Fund Balance	(9,326)	(9,326)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,326	9,326	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, 2010

	Entry Year Teacher Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$25,734	\$734	(\$25,000)
Total Revenues	25,734	734	(25,000)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	47,221	9,011	38,210
Total Expenditures	47,221	9,011	38,210
Net Change in Fund Balance	(21,487)	(8,277)	13,210
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	21,487	21,487	0
Fund Balance End of Year	\$0	\$13,210	\$13,210

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, 2010

	Poverty Aid Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	9,760	9,760	0
Special	78,838	78,838	0
Support Services:			
Pupil Transportation	25,340	25,340	0
Total Expenditures	113,938	113,938	0
Net Change in Fund Balance	(113,938)	(113,938)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	113,938	113,938	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, 2010

	IDEA B Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,192,523	\$4,491,775	(\$700,748)
Total Revenues	<u>5,192,523</u>	<u>4,491,775</u>	<u>(700,748)</u>
Expenditures:			
Current:			
Instruction:			
Regular	7,362	6,324	1,038
Special	3,289,216	2,825,315	463,901
Student Intervention	198,744	170,714	28,030
Support Services:			
Pupil	314,993	270,567	44,426
Instructional Staff	26,325	22,612	3,713
School Administration	691,779	594,213	97,566
Pupil Transportation	143,615	123,360	20,255
Operation of Non-Instructional Services	749,269	643,594	105,675
Total Expenditures	<u>5,421,303</u>	<u>4,656,699</u>	<u>764,604</u>
Excess of Revenues Over (Under) Expenditures	<u>(228,780)</u>	<u>(164,924)</u>	<u>63,856</u>
Other Financing Sources (Uses):			
Advances In	176,049	152,291	(23,758)
Total Other Financing Sources (Uses)	<u>176,049</u>	<u>152,291</u>	<u>(23,758)</u>
Net Change in Fund Balance	(52,731)	(12,633)	40,098
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>52,731</u>	<u>52,731</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$40,098</u>	<u>\$40,098</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, 2010

	Title III LEP Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$48,681	\$43,908	(\$4,773)
Total Revenues	<u>48,681</u>	<u>43,908</u>	<u>(4,773)</u>
Expenditures:			
Current:			
Instruction:			
Special	48,624	43,796	4,828
Support Services:		0	
Instructional Staff	<u>1,342</u>	<u>1,209</u>	<u>133</u>
Total Expenditures	<u>49,966</u>	<u>45,005</u>	<u>4,961</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,285)</u>	<u>(1,097)</u>	<u>188</u>
Other Financing Sources (Uses):			
Advances In	1,551	1,399	(152)
Advances (Out)	<u>(266)</u>	<u>(240)</u>	<u>26</u>
Total Other Financing Sources (Uses)	<u>1,285</u>	<u>1,159</u>	<u>(126)</u>
Net Change in Fund Balance	0	62	62
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>\$0</u>	<u>\$62</u>	<u>\$62</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, 2010

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,510,887	\$2,412,561	(\$1,098,326)
Total Revenues	<u>3,510,887</u>	<u>2,412,561</u>	<u>(1,098,326)</u>
Expenditures:			
Current:			
Instruction:			
Regular	394,234	275,602	118,632
Special	1,528,040	1,068,226	459,814
Support Services:			
Pupil	97,734	68,324	29,410
Instructional Staff	1,187,840	830,398	357,442
School Administration	142,812	99,837	42,975
Operation of Non-Instructional Services	117,340	82,030	35,310
Total Expenditures	<u>3,468,000</u>	<u>2,424,417</u>	<u>1,043,583</u>
Excess of Revenues Over (Under) Expenditures	<u>42,887</u>	<u>(11,856)</u>	<u>(54,743)</u>
Other Financing Sources (Uses):			
Advances In	82,671	56,809	(25,862)
Advances (Out)	(194,599)	(136,041)	58,558
Total Other Financing Sources (Uses)	<u>(111,928)</u>	<u>(79,232)</u>	<u>32,696</u>
Net Change in Fund Balance	(69,041)	(91,088)	(22,047)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>91,088</u>	<u>91,088</u>	<u>0</u>
Fund Balance End of Year	<u>\$22,047</u>	<u>\$0</u>	<u>(\$22,047)</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, 2010

	Title V Innovative Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$37	\$37	\$0
Total Revenues	37	37	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	245	245	0
Total Expenditures	245	245	0
Excess of Revenues Over (Under) Expenditures	(208)	(208)	0
Other Financing Sources (Uses):			
Advances (Out)	(23)	(23)	0
Total Other Financing Sources (Uses)	(23)	(23)	0
Net Change in Fund Balance	(231)	(231)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	231	231	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, 2010

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$47,437	\$41,312	(\$6,125)
Total Revenues	47,437	41,312	(6,125)
Expenditures:			
Current:			
Instruction:			
Regular	44,420	39,728	4,692
Support Services:			
Pupil	5,768	5,159	609
Operation of Non-Instructional Services	2,392	2,139	253
Total Expenditures	52,580	47,026	5,554
Excess of Revenues Over (Under) Expenditures	(5,143)	(5,714)	(571)
Other Financing Sources (Uses):			
Advances (Out)	(5,433)	(4,859)	574
Transfers In	99	86	(13)
Transfers (Out)	(96)	(86)	10
Total Other Financing Sources (Uses)	(5,430)	(4,859)	571
Net Change in Fund Balance	(10,573)	(10,573)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,573	10,573	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, 2010

	Early Childhood Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$160,878	\$104,629	(\$56,249)
Total Revenues	<u>160,878</u>	<u>104,629</u>	<u>(56,249)</u>
Expenditures:			
Current:			
Instruction:			
Special	102,360	67,729	34,631
Support Services:			
Pupil	30,187	19,974	10,213
Instructional Staff	4,517	2,989	1,528
Total Expenditures	<u>137,064</u>	<u>90,692</u>	<u>46,372</u>
Excess of Revenues Over (Under) Expenditures	<u>23,814</u>	<u>13,937</u>	<u>(9,877)</u>
Other Financing Sources (Uses):			
Advances In	969	630	(339)
Transfers (Out)	(30,196)	(19,980)	10,216
Total Other Financing Sources (Uses)	<u>(29,227)</u>	<u>(19,350)</u>	<u>9,877</u>
Net Change in Fund Balance	(5,413)	(5,413)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>5,413</u>	<u>5,413</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Northwest Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$439,264	\$341,779	(\$97,485)
Total Revenues	439,264	341,779	(97,485)
Expenditures:			
Current:			
Instruction:			
Regular	298,208	234,006	64,202
Support Services:			
Instructional Staff	176,515	138,512	38,003
Total Expenditures	474,723	372,518	102,205
Excess of Revenues Over (Under) Expenditures	(35,459)	(30,739)	4,720
Other Financing Sources (Uses):			
Advances In	21,268	16,548	(4,720)
Total Other Financing Sources (Uses)	21,268	16,548	(4,720)
Net Change in Fund Balance	(14,191)	(14,191)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,191	14,191	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, 2010

	Technology II-D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Support Services:			
Operation of Non-Instructional Services	573	573	0
Total Expenditures	573	573	0
Excess of Revenues Over (Under) Expenditures	(573)	(573)	0
Other Financing Sources (Uses):			
Transfers (Out)	(1,649)	(1,649)	0
Total Other Financing Sources (Uses)	(1,649)	(1,649)	0
Net Change in Fund Balance	(2,222)	(2,222)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,222	2,222	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, 2010

	State Fiscal Stabilization Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	1,849,872	1,799,308	(50,564)
Total Revenues	<u>1,849,872</u>	<u>1,799,308</u>	<u>(50,564)</u>
Expenditures:			
Current:			
Instruction:			
Regular	149,476	146,531	2,945
Support Services:			
Pupil	7,911	7,755	156
Instructional Staff	78,302	76,759	1,543
School Administration	132,236	129,631	2,605
Fiscal	110,656	108,476	2,180
Operations and Maintenance	1,270,910	1,245,873	25,037
Pupil Transportation	25,426	24,925	501
Central	18,899	18,527	372
Operation of Non-Instructional Services	4,907	4,810	97
Extracurricular Activities	3,058	2,998	60
Total Expenditures	<u>1,801,781</u>	<u>1,766,285</u>	<u>35,496</u>
Net Change in Fund Balance	48,091	33,023	(15,068)
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><u>\$48,091</u></u>	<u><u>\$33,023</u></u>	<u><u>(\$15,068)</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, 2010

	Title II-D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	77,708	69,284	(8,424)
Total Revenues	77,708	69,284	(8,424)
Expenditures:			
Current:			
Instruction:			
Regular	41,824	37,290	4,534
Support Services:			
Instructional Staff	75,621	67,423	8,198
Operation of Non-Instructional Services	2,383	2,125	258
Total Expenditures	119,828	106,838	12,990
Excess of Revenues Over (Under) Expenditures	(42,120)	(37,554)	4,566
Other Financing Sources (Uses):			
Advances In	40,271	35,905	(4,366)
Transfers In	1,849	1,649	(200)
Total Other Financing Sources (Uses)	42,120	37,554	(4,566)
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

NONMAJOR DEBT SERVICE FUND

Fund Description

Debt Service Fund – The Debt Service Fund is used for the accumulation of resources for and 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. The District only has this Debt Service Fund for fiscal year 2010.

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, 2010

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,602,332	\$1,603,223	\$891
Intergovernmental	339,598	339,787	189
Total Revenues	1,941,930	1,943,010	1,080
Expenditures:			
Current:			
Support Services:			
Fiscal	12,162	12,043	119
Debt Service:			
Principal Retirement	929,128	920,000	9,128
Interest and Fiscal Charges	886,487	877,778	8,709
Total Expenditures	1,827,777	1,809,821	17,956
Net Change in Fund Balance	114,153	133,189	19,036
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	922,036	922,036	0
Fund Balance End of Year	\$1,036,189	\$1,055,225	\$19,036

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

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

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

Northwest Local School District
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2010

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,495,134	\$0	\$1,495,134
Receivables:			
Taxes	3,800,639	0	3,800,639
Total Assets	<u>5,295,773</u>	<u>0</u>	<u>5,295,773</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	501,709	0	501,709
Deferred Revenue	2,783,639	0	2,783,639
Total Liabilities	<u>3,285,348</u>	<u>0</u>	<u>3,285,348</u>
Fund Balances:			
Reserved for Encumbrances	300,106	0	300,106
Reserved for Property Tax Advances	1,017,000	0	1,017,000
Unreserved, Undesignated, Reported in:			
Capital Projects Funds	693,319	0	693,319
Total Fund Balances	<u>2,010,425</u>	<u>0</u>	<u>2,010,425</u>
Total Liabilities and Fund Balances	<u>\$5,295,773</u>	<u>\$0</u>	<u>\$5,295,773</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, 2010

	Permanent Improvement	Ohio SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$2,778,641	\$0	\$2,778,641
Intergovernmental	404,925	32,008	436,933
Total Revenues	3,183,566	32,008	3,215,574
Expenditures:			
Current:			
Instruction:			
Regular	1,003,798	27,999	1,031,797
Support Services:			
Pupil	1,370	0	1,370
Fiscal	21,392	0	21,392
Operations and Maintenance	258,267	0	258,267
Pupil Transportation	412,668	0	412,668
Central	200,701	4,009	204,710
Capital Outlay	990,767	0	990,767
Total Expenditures	2,888,963	32,008	2,920,971
Net Change in Fund Balance	294,603	0	294,603
Fund Balance Beginning of Year	1,715,822	0	1,715,822
Fund Balance End of Year	\$2,010,425	\$0	\$2,010,425

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, 2010

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,876,123	\$2,862,641	(\$13,482)
Intergovernmental	609,616	606,758	(2,858)
Total Revenues	<u>3,485,739</u>	<u>3,469,399</u>	<u>(16,340)</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,552,720	1,207,823	344,897
Support Services:			
Pupil	1,761	1,370	391
Fiscal	27,501	21,392	6,109
Operations and Maintenance	436,179	339,293	96,886
Pupil Transportation	555,827	432,364	123,463
Central	280,365	218,089	62,276
Capital Outlay	<u>837,711</u>	<u>651,635</u>	<u>186,076</u>
Total Expenditures	<u>3,692,064</u>	<u>2,871,966</u>	<u>820,098</u>
Net Change in Fund Balance	(206,325)	597,433	803,758
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>454,138</u>	<u>454,138</u>	<u>0</u>
Fund Balance End of Year	<u>\$247,813</u>	<u>\$1,051,571</u>	<u>\$803,758</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, 2010

	Ohio SchoolNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$40,007	\$32,009	(\$7,998)
Total Revenues	40,007	32,009	(7,998)
Expenditures:			
Current:			
Instruction:			
Regular	34,996	28,000	6,996
Support Services:			
Central	5,011	4,009	1,002
Total Expenditures	40,007	32,009	7,998
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

NONMAJOR PERMANENT FUND

Fund Description

Endowment Fund - To account for the financial resources that are restricted. Only the income earned can be used for specific purposes. The District only has one Permanent Fund for fiscal year 2010, the Endowment Fund.

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, 2010

	Endowment Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$96,707	\$96,707	\$0
Total Revenues	96,707	96,707	0
Expenditures:			
Current:			
Extracurricular Activities	2,000	2,000	0
Total Expenditures	2,000	2,000	0
Net Change in Fund Balance	94,707	94,707	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$94,707	\$94,707	\$0

NONMAJOR FUNDS

Fiduciary funds

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.

Fund Description

Student Activity (Agency Fund) – 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. The District only has this Fiduciary (Agency) Fund for fiscal year 2010.

Northwest Local School District
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2010

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$118,429	\$249,729	\$244,200	\$123,958
Receivables:				
Accounts	278	185	278	185
Total Assets	<u>118,707</u>	<u>249,914</u>	<u>244,478</u>	<u>124,143</u>
Liabilities:				
Accounts Payable	178	1,241	178	1,241
Other Liabilities	118,529	248,673	244,300	122,902
Total Liabilities	<u>\$118,707</u>	<u>\$249,914</u>	<u>\$244,478</u>	<u>\$124,143</u>

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STATISTICAL SECTION



STATISTICAL SECTION

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

CONTENTS

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

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

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

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

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

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Governmental activities										
Invested in capital assets, Net of related debt	\$4,468,058	\$4,540,207	\$4,263,966	\$3,896,572	\$3,063,084	\$2,440,916	\$2,857,440	\$3,408,154	\$4,824,453	
Restricted	3,148,603	3,208,243	4,996,925	4,984,928	4,911,775	4,812,592	3,098,772	4,545,762	4,294,401	
Unrestricted	13,257,397	17,774,623	13,113,564	17,057,579	17,619,488	17,931,886	15,918,949	21,200,605	22,468,679	
Total Net Assets	\$20,874,058	\$25,523,073	\$22,374,455	\$25,939,079	\$25,594,347	\$25,185,394	\$21,875,161	\$29,154,521	\$31,587,533	

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 Nine Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Expenses										
Governmental Activities:										
Instruction	\$43,961,196	\$45,411,314	\$48,139,681	\$50,233,149	\$48,903,070	\$49,828,614	\$56,945,019	\$49,951,460	\$52,481,465	
Pupil	4,087,427	4,311,310	4,300,406	4,370,329	4,740,911	4,850,602	4,636,660	5,191,242	5,864,785	
Instructional Staff	4,703,188	5,003,623	5,885,152	5,941,773	5,770,458	5,840,176	5,769,942	5,774,646	6,168,524	
General Administration	87,785	120,895	91,142	161,901	241,656	281,111	183,505	93,830	178,161	
School Administration	5,090,831	5,146,738	5,356,327	5,640,900	5,446,475	5,855,802	5,745,910	6,041,145	5,688,140	
Fiscal	1,311,298	1,360,512	1,530,072	1,550,991	1,483,369	1,558,363	1,603,973	1,807,516	1,593,129	
Business	532,909	577,629	574,334	594,917	699,841	507,244	671,137	720,409	583,823	
Operation and Maintenance	8,058,321	8,245,783	7,559,219	7,817,898	8,272,465	8,033,869	8,570,818	7,029,199	7,821,491	
Pupil Transportation	3,567,960	4,088,325	4,330,044	4,391,526	4,589,238	4,819,635	4,901,006	4,595,467	5,078,256	
Central	1,342,996	1,371,668	1,421,910	1,493,134	1,211,509	1,272,167	1,665,530	1,586,120	1,970,404	
Operation of Non-instructional Services	2,679,136	2,924,980	5,914,723	6,857,202	6,535,203	6,686,349	7,133,882	8,306,507	6,746,827	
Extracurricular Activities	1,405,292	1,664,320	1,662,910	1,766,543	1,821,170	1,915,193	1,568,962	1,861,017	1,861,932	
Interest and Fiscal Charges	1,228,722	1,211,360	1,190,385	1,166,792	1,529,534	1,008,515	993,695	964,410	915,785	
Total Government Expenses	78,057,061	81,438,457	87,956,305	91,987,055	91,244,899	92,457,640	100,390,039	93,922,968	96,952,722	
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	954,972	1,408,116	1,166,566	1,644,304	1,463,778	1,497,076	1,597,900	1,592,934	1,869,950	
Pupil	0	0	0	0	0	11,279	11,664	16,349	14,785	
Operation and Maintenance	66,836	61,440	89,511	66,853	55,309	50,200	45,217	617,093	613,381	
Pupil Transportation	0	0	0	0	0	0	0	0	46,465	
Operation of Non-instructional Services	240,612	242,038	2,379,197	2,087,637	2,052,682	2,014,390	1,988,401	1,947,625	1,709,506	
Extracurricular Activities	646,046	631,653	638,082	710,061	631,218	671,898	901,362	804,655	643,017	
Operating Grants and Contributions	5,094,519	5,655,375	7,540,130	8,299,035	10,407,779	10,858,280	10,087,921	11,795,565	15,592,209	
Capital Grants and Contributions	360,516	574,646	2,050,671	186,207	269,047	173,314	193,001	184,366	32,008	
Total Government Revenues	7,363,501	8,573,268	13,864,157	12,994,097	14,879,813	15,276,437	14,825,466	16,958,587	20,521,321	
Net (Expense)/Revenue	(\$70,693,560)	(\$72,865,189)	(\$74,092,148)	(\$78,992,958)	(\$76,365,086)	(\$77,181,203)	(\$85,564,573)	(\$76,964,381)	(\$76,431,401)	
Total Government Net Expense										

Source: District Records

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

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue									
Total Government Net Expense	(\$70,693,560)	(\$72,865,189)	(\$74,092,148)	(\$78,992,958)	(\$76,365,086)	(\$77,181,203)	(\$85,564,573)	(\$76,964,381)	(\$76,431,401)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes									
Property Taxes Levied for General Purposes	37,617,518	40,665,767	33,876,124	43,786,003	39,092,855	40,052,554	43,685,645	39,010,796	37,232,185
Property Taxes Levied for Debt Service Purposes	1,580,267	1,608,343	1,293,327	1,679,221	1,678,204	1,527,841	1,475,539	1,666,398	1,567,267
Property Taxes Levied for Capital Projects Purposes	0	0	0	0	0	0	0	2,760,232	2,798,365
Grants and Entitlements not Restricted to Specific Programs	31,204,342	32,216,453	33,634,399	34,233,076	31,520,219	31,552,624	33,156,736	35,319,550	33,399,642
Payment in Lieu of Taxes	940,478	1,436,898	1,442,401	1,944,008	2,170,537	1,353,248	2,541,812	4,170,555	2,983,732
Unrestricted Contributions	0	0	0	0	211,257	201,670	206,874	209,561	171,915
Investment Earnings	627,818	383,001	246,045	492,314	957,958	1,281,757	923,168	433,779	202,298
Other Revenues	200,581	323,898	367,379	422,959	389,323	802,556	264,566	672,870	509,009
Total Government Activities	72,171,004	76,634,360	70,859,675	82,557,581	76,020,353	76,772,250	82,254,340	84,243,741	78,864,413
Change in Net Assets	\$1,477,444	\$3,769,171	(\$3,232,473)	\$3,564,623	(\$344,733)	(\$408,953)	(\$3,310,233)	\$7,279,360	\$2,433,012
Total Government									

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$9,670,173	\$10,888,628	\$13,298,462	\$9,941,691	\$15,297,234	\$14,850,178	\$13,241,226	\$15,315,873	\$14,344,202	\$13,265,955
Unreserved	6,263,942	5,697,028	7,338,820	5,946,886	3,708,325	4,431,337	5,028,757	3,235,516	7,466,773	10,221,736
Total General Fund	<u>15,934,115</u>	<u>16,585,656</u>	<u>20,637,282</u>	<u>15,888,577</u>	<u>19,005,559</u>	<u>19,281,515</u>	<u>18,269,983</u>	<u>18,551,389</u>	<u>21,810,975</u>	<u>23,487,691</u>
All Other Governmental Funds										
Reserved	1,864,100	510,528	763,003	595,769	927,231	795,705	981,536	1,949,064	2,538,473	2,058,837
Unreserved, Reported in:										
Special Revenue Funds	913,208	706,479	199,211	819,862	748,393	550,025	278,371	(1,076,114)	375,257	427,040
Debt Service Funds	0	1,207,501	1,207,995	1,139,524	1,070,092	1,113,172	1,194,512	1,071,556	1,035,064	1,055,225
Capital Project Funds	647,112	658,294	863,550	2,408,668	2,407,961	2,427,816	2,433,966	100,655	208,299	693,319
Permanent Funds	0	0	0	0	0	0	0	0	0	94,707
Total all Other Governmental Funds	<u>\$3,424,420</u>	<u>\$3,082,802</u>	<u>\$3,033,759</u>	<u>\$4,963,823</u>	<u>\$5,153,677</u>	<u>\$4,886,718</u>	<u>\$4,888,385</u>	<u>\$2,045,161</u>	<u>\$4,157,093</u>	<u>\$4,329,128</u>

Source: District Records

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$36,101,477	\$39,197,785	\$42,274,109	\$35,169,451	\$45,465,224	\$40,771,058	\$39,571,250	\$44,923,966	\$43,221,580	\$41,099,173
Revenue in Lieu of Taxes	747,826	837,851	1,136,800	1,335,357	1,803,022	1,905,623	2,159,741	3,488,839	2,974,827	2,983,732
Tuition and Fees	652,988	1,004,932	828,575	1,307,283	1,375,608	1,827,893	1,207,360	1,107,809	908,960	1,615,133
Investment Earnings	1,318,478	627,818	355,779	273,267	492,314	957,958	1,281,757	923,168	433,779	202,298
Intergovernmental	34,093,579	36,222,194	37,943,077	40,999,928	42,692,681	42,042,886	42,681,291	42,285,156	48,131,399	50,279,723
Extracurricular Activities	0	535,428	511,575	463,235	555,091	455,337	500,925	641,725	670,974	524,755
Charges for Services	0	0	0	2,104,495	2,420,753	2,052,682	2,856,808	2,795,010	3,398,723	3,028,333
Other Revenues	1,686,162	796,640	1,703,732	2,986,745	611,587	599,580	689,921	467,523	814,488	409,555
Total Revenues	\$74,600,510	\$79,222,648	\$84,753,647	\$84,639,761	\$95,416,280	\$90,613,017	\$90,949,053	\$96,633,196	\$100,554,730	\$100,142,702

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction	\$43,088,835	\$44,375,999	\$44,710,155	\$47,364,387	\$49,644,561	\$48,009,414	\$49,180,578	\$55,063,771	\$49,098,127	\$51,443,938
Pupil	2,670,062	4,123,963	4,331,777	4,330,800	4,370,923	4,753,090	4,796,893	4,658,356	5,123,343	5,755,844
Instructional Staff	3,391,576	4,656,513	5,017,149	5,832,190	5,993,431	5,775,348	5,832,460	5,701,322	5,880,737	6,199,761
General Administration	72,804	87,785	120,895	91,142	161,901	241,656	281,111	183,505	93,830	178,161
School Administration	4,736,223	5,153,713	5,077,151	5,334,870	5,397,018	5,411,896	5,906,050	5,806,393	5,942,361	5,549,993
Fiscal	1,177,830	1,292,652	1,340,797	1,492,837	1,482,270	1,518,660	1,695,551	1,581,267	1,785,013	1,581,215
Business	476,836	596,498	559,547	571,206	581,747	694,082	512,931	694,398	707,873	596,807
Operation and Maintenance	8,036,025	7,880,719	8,208,547	7,463,816	7,711,002	8,274,328	7,956,222	9,138,204	8,487,069	7,806,790
Pupil Transportation	3,354,332	3,916,466	4,170,750	4,159,436	4,337,422	4,444,862	4,584,733	4,741,030	4,438,485	5,402,586
Central	1,169,269	1,337,439	1,344,141	1,439,811	1,505,082	1,253,835	1,189,253	1,682,782	1,503,774	1,977,662
Operation of Non-instructional Services	2,627,534	2,667,631	2,918,707	5,821,812	6,941,408	6,673,610	6,651,816	7,120,644	8,142,696	6,718,077
Extracurricular Activities	1,456,054	1,372,204	1,666,064	1,651,922	1,758,583	1,815,078	1,733,681	1,783,724	1,836,262	1,858,764
Capital Outlay	445,114	4,120	0	374,000	0	0	0	0	147,548	990,767
Debt Service										
Principal	375,000	410,000	450,000	495,000	540,000	590,000	675,000	928,396	1,129,533	1,351,679
Interest	1,246,213	1,230,133	1,212,152	1,192,059	1,169,645	1,149,162	994,495	969,747	934,502	881,907
Total Expenditures	\$74,323,707	\$79,105,835	\$81,127,832	\$87,615,288	\$91,594,993	\$90,605,021	\$91,990,774	\$100,053,539	\$95,251,153	\$98,293,951

Debt Service as a Percentage of Noncapital Expenditures 2.46% 2.10% 2.06% 1.94% 1.88% 1.93% 1.82% 1.92% 2.21% 2.32%

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	\$17,253	\$23,666	\$27,340	\$36,530	\$58,402	\$1,001	\$31,856	\$3,917	\$67,941	\$0
Issuance Of Capital Leases	0	0	0	0	0	0	0	854,608	0	0
Payments to Refunded Bonds Escrow Agent	0	0	0	0	0	(15,964,485)	0	0	0	0
Proceeds of Refunding Bonds	0	0	0	0	0	15,380,000	0	0	0	0
Refunding Bond Premium	0	0	0	0	0	584,485	0	0	0	0
Transfers in	0	0	0	0	0	0	0	2,628	0	61,649
Transfers out	0	0	0	0	0	0	0	(2,628)	0	(61,649)
Total Other Financing Sources (Uses)	17,253	23,666	27,340	36,530	58,402	1,001	31,856	858,525	67,941	0
Net Change in Fund Balances	\$294,056	\$140,479	\$3,653,155	(\$2,938,997)	\$3,879,689	\$8,997	(\$1,009,865)	(\$2,561,818)	\$5,371,518	\$1,848,751

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 Assessed Value (1)		Tangible Personal Property Assessed Value (1)		Public Utilities Personal Assessed Value (1)		Less: Exemptions	Total Taxable Value	Total Assessed Value (1)	Total Direct Rate
	Assessed Value (1)	Value (1)	Assessed Value (1)	Value (1)	Assessed Value (1)	Value (1)				
2000	\$1,208,252,230	\$97,329,980	\$54,842,530	\$110,713,390	\$1,249,711,350	\$1,360,424,740	49.80			
2001	1,237,011,150	92,866,910	37,730,740	107,289,320	1,260,319,480	1,367,608,800	49.80			
2002	1,349,652,730	80,470,050	39,296,490	122,907,540	1,346,511,730	1,469,419,270	49.64			
2003	1,362,790,120	82,003,290	39,727,050	134,826,180	1,349,694,280	1,484,520,460	49.64			
2004	1,373,527,170	78,381,540	40,023,250	142,588,040	1,349,343,920	1,491,931,960	49.64			
2005	1,606,199,670	63,984,560	37,866,350	165,946,020	1,542,104,560	1,708,050,580	49.64			
2006	1,611,429,080	45,456,080	36,164,160	180,126,190	1,512,923,130	1,693,049,320	49.50			
2007	1,635,959,680	24,896,760	32,546,400	184,594,770	1,508,808,070	1,693,402,840	53.39			
2008	1,632,851,870	2,585,353	32,779,000	176,010,640	1,492,205,583	1,668,216,223	53.39			
2009	1,620,943,080	2,675,180	35,300,900	166,627,290	1,492,291,870	1,658,919,160	53.57			

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	General Purpose	Overlapping Rates									
		District Direct Rates					City of				
		Debt	Total	Hamilton County	City of Fairfield	City of Forest Park	North College Hill	Colerain Township	Green Township	Springfield Township	
2000	48.54	1.26	49.80	19.92	5.94	6.33	6.68	15.18	8.81	14.30	
2001	48.54	1.26	49.80	21.47	5.94	11.08	6.68	15.18	8.31	20.30	
2002	48.54	1.10	49.64	21.87	5.94	11.08	6.68	16.18	8.31	20.30	
2003	48.54	1.10	49.64	21.51	5.94	11.08	6.68	16.18	8.31	20.30	
2004	48.54	1.10	49.64	21.06	5.94	11.08	6.68	16.18	8.31	20.30	
2005	48.54	1.10	49.64	20.81	5.94	11.08	6.68	16.18	9.81	20.30	
2006	48.54	0.96	49.50	19.78	5.94	11.08	6.68	16.18	9.81	20.30	
2007	52.43	0.96	53.39	20.18	5.94	11.08	6.68	16.18	9.81	20.30	
2008	52.27	1.12	53.39	20.56	5.94	11.08	6.68	17.33	9.81	20.30	
2009	52.45	1.12	53.57	20.48	5.94	11.08	7.98	17.33	11.72	22.80	

Source: Hamilton County Auditor

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

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

Taxpayer	2009	
	Taxable Assessed Value	Percentage of Total Taxable Value
Duke Energy Ohio Inc.	\$34,487,730	2.08%
Northgate Partners LLC	27,301,070	1.65%
KIR Colerain LLC	10,927,740	0.66%
Rumpke Sanitary Landfill INC	7,887,520	0.48%
Schottenstein-Colerain LLC	6,886,170	0.42%
Prospect Square LLC	5,600,010	0.34%
Proctor & Gamble Co.	4,283,880	0.26%
Northwest Woods LLC	4,011,950	0.24%
Lees Crossing LLC	3,987,630	0.24%
Ashley Woods Limited Partnership	3,897,750	0.23%
Total Principal Taxpayers	109,271,450	6.59%
All Other Taxpayers	1,549,647,710	93.41%
Total All Taxpayers	\$1,658,919,160	100.00%

Taxpayer	2006 (2)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Northgate Partners LLC	\$36,238,910	2.14%
Cincinnati Gas and Electric Company	28,805,050	1.70%
Procter & Gamble Co	16,811,850	0.99%
Rumpke Consolidated	13,619,400	0.80%
KIR Colerain LLC	9,634,760	0.57%
Cincinnati Bell	6,489,920	0.38%
Cincinnati Mills	6,076,140	0.36%
Prospect Square Associates LLC	4,725,010	0.28%
Cobblewood Plaza	4,469,890	0.26%
Timberlake Family Ltd.	4,020,180	0.24%
Total Principal Taxpayers	130,891,110	7.73%
All Other Taxpayers	1,562,511,730	92.27%
Total All Taxpayers	\$1,693,402,840	100.00%

Source: Hamilton County Auditor

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

(2) - Denotes calendar year

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$44,701,487	\$40,796,464	91.26%	\$977,718	\$41,774,182	93.45%
2001	45,657,507	41,940,289	91.86%	1,499,105	43,439,394	95.14%
2002	45,340,673	41,684,515	91.94%	1,439,366	43,123,881	95.11%
2003	45,828,885	41,698,136	90.99%	1,224,709	42,922,845	93.66%
2004	46,580,056	42,225,846	90.65%	1,586,109	43,811,955	94.06%
2005	46,683,849	42,637,282	91.33%	1,496,380	44,133,662	94.54%
2006	47,821,130	42,673,894	89.24%	1,777,244	44,451,138	92.95%
2007	46,763,460	43,657,969	93.36%	1,326,968	44,984,937	96.20%
2008	50,800,639	48,207,637	94.90%	1,590,158	49,797,795	98.03%
2009	51,449,606	47,017,952	91.39%	1,235,544	48,253,496	93.79%

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			
2001	\$24,200,000	\$24,200,000	1.78%	0.09%	\$277
2002	23,790,000	23,790,000	1.74%	0.08%	272
2003	23,340,000	23,340,000	1.59%	0.08%	266
2004	22,845,000	22,845,000	1.54%	0.22%	260
2005	22,305,000	22,305,000	1.50%	0.07%	253
2006	21,715,000	21,715,000	1.27%	0.07%	245
2007	21,040,000	21,040,000	1.24%	0.06%	236
2008	20,250,000	20,250,000	1.20%	0.06%	226
2009	19,405,000	19,405,000	1.16%	0.05%	215
2010	18,485,000	18,485,000	1.12%	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, 2010
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Butler County	\$57,228,590	0.03%	\$17,169
Hamilton County	107,460,000	8.17%	8,779,482
City of Fairfield	31,640,000	0.01%	3,164
City of Forest Park	6,005,000	11.98%	719,399
City of North College Hill	610,000	1.25%	7,625
Colerain Township	8,580,000	94.17%	8,079,786
Fairfield Township	7,485,000	0.52%	38,922
Butler Technology & Career Center JT. Voc. School District	5,500,000	18.49%	1,016,950
Springfield Township	12,250,000	12.27%	1,503,075
Subtotal, Overlapping Debt	236,758,590		20,165,572
District direct debt	18,485,000	101.00%	18,669,850
Total direct and overlapping debt	\$255,243,590		\$38,835,422

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 2010

Assessed Value (1)	\$1,658,919,160
Debt Limit (9% of Assessed Value)	149,302,724
Debt Applicable to Limit	18,485,000
Legal Debt Margin	<u>\$130,817,724</u>

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$121,800,642	\$123,486,468	\$133,366,152	\$133,468,850	\$134,599,834	\$153,256,696	\$154,705,985	\$152,211,071	\$150,139,460	\$149,302,724
Total Net Debt Applicable to Limit	22,682,610	22,161,099	21,602,805	21,341,576	20,659,908	19,946,828	21,040,000	20,250,000	19,405,000	18,485,000
Legal Debt Margin	\$99,118,032	\$101,325,369	\$111,763,347	\$112,127,274	\$113,939,926	\$133,309,868	\$133,665,985	\$131,961,071	\$130,734,460	\$130,817,724
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.62%	17.95%	16.20%	15.99%	15.35%	13.02%	13.60%	13.30%	12.92%	12.38%

Source: District Records

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2000	85,875	\$28,328,667	\$33,566	3.7%
2001	85,875	29,136,541	34,499	4.0%
2002	85,875	30,010,701	35,712	5.5%
2003	85,875	10,556,012	36,526	5.6%
2004	85,875	31,972,899	38,417	5.7%
2005	85,875	33,087,346	39,937	5.7%
2006	85,875	35,146,091	41,477	5.0%
2007	85,875	36,488,577	42,730	5.0%
2008	85,875	37,484,285	43,918	5.6%
2009	85,875	N/A	N/A	8.9%

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

N/A - Information not available

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

2010			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Cincinnati Children's Hospital	Serv	(4)	(5)
Duke Energy	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

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

Source: Ohio Department of Development

(1) - For all of Hamilton County

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

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

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

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

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

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Administrative						
Central Office	14.0	13.0	12.0	15.0	17.0	17.0
Certified Licensed	27.0	27.0	27.0	26.0	25.0	25.0
Classified	15.0	14.0	12.0	11.0	10.0	12.0
Total Administrative	<u>56.0</u>	<u>54.0</u>	<u>51.0</u>	<u>52.0</u>	<u>52.0</u>	<u>54.0</u>
Instructional Staff						
Teachers	662.0	651.0	632.0	624.0	577.0	575.0
Instructional Specialists	12.0	10.0	9.0	8.0	8.0	8.0
Librarians	6.0	4.0	4.0	4.0	4.0	4.0
Instructional Coordinator	4.0	1.0	1.0	1.0	1.0	1.0
Cc Total Instruction	19.0	17.0	17.0	17.0	17.0	17.0
Psychologists	1.0	1.0	1.0	0.0	0.0	0.0
Total Instructional Staff	<u>704.0</u>	<u>684.0</u>	<u>664.0</u>	<u>654.0</u>	<u>607.0</u>	<u>605.0</u>
Support Staff						
Educational Assistants	147.5	139.5	151.5	150.5	150.0	157.7
Nurses	1.0	1.0	1.0	1.0	1.0	1.0
Health Technician	18.0	18.0	18.0	18.0	17.0	17.0
Library Assistants	14.0	14.0	14.0	14.0	13.0	13.0
Transportation/Delivery	92.0	90.0	91.0	75.0	75.0	79.0
Food Service	106.0	104.0	104.0	104.0	100.0	98.3
Secretarial/Clerical	68.0	65.0	62.0	64.0	65.0	65.0
Data Processing	5.0	5.0	6.0	6.0	6.0	5.0
Maintenance	9.0	8.0	8.0	10.0	10.0	9.0
Custodial	64.0	62.0	67.0	63.0	62.0	62.5
Total Support Staff	<u>524.5</u>	<u>506.5</u>	<u>522.5</u>	<u>505.5</u>	<u>499.0</u>	<u>507.5</u>
Total District Staff	<u>1,284.5</u>	<u>1,244.5</u>	<u>1,237.5</u>	<u>1,211.5</u>	<u>1,158.0</u>	<u>1,166.5</u>

Source: District records

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

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

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil		Expenditures (3)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			(2)	(4)					
2001	10,510	\$64,474,905	\$6,135	N/A	N/A	N/A	670	15.69	21.61%
2002	10,504	77,461,582	7,374	\$78,057,061	20.21%	N/A	678	15.49	21.53%
2003	10,646	79,465,680	7,464	81,438,457	1.22%	2.94%	665	16.01	23.30%
2004	10,647	85,554,229	8,036	87,956,305	7.65%	7.99%	673	15.82	24.09%
2005	10,561	89,885,348	8,511	91,987,055	5.92%	5.43%	662	15.95	27.86%
2006	10,332	88,865,859	8,601	91,244,899	1.06%	1.39%	651	15.87	29.36%
2007	10,370	90,321,279	8,710	92,457,640	1.27%	0.96%	632	16.41	30.95%
2008	9,823	98,155,396	9,992	100,390,039	14.73%	14.63%	624	15.74	30.53%
2009	9,616	93,039,570	9,675	93,922,968	-3.17%	-4.43%	577	16.67	38.28%
2010	9,678	95,069,598	9,823	97,285,033	1.53%	2.92%	575	16.83	40.71%

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

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

School	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	706	702	699	689	695	667	668	645	852	856
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	533	536	506	496	486	489	490	445	429	440
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	0	0
Enrollment	517	509	495	479	475	422	422	408	0	0
Monfort Heights Elementary - 2000										
Square feet	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787	76,787
Capacity (1)	700	700	700	700	700	700	700	700	700	700
Enrollment	670	671	751	791	728	717	718	685	645	665
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	540	537	556	522	509	500	500	481	394	418
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	400	394	350	377	376	404	405	400	408	409
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	431	526	540	527	500	470	493	348	488	521
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	478	492	468	480	505	498	502	467	470	488
Weich Elementary - 1977										
Square feet	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800	46,800
Capacity (1)	425	425	425	425	425	425	425	425	425	425
Enrollment	356	345	367	357	349	372	372	325	387	367

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	721	716	725	718	730	719	720	688	670	669
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	1,008	1,002	1,009	993	923	880	879	857	867	816
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	819	817	846	807	782	766	773	754	751	721
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	2,021	1,965	2,058	2,176	2,277	2,215	2,215	2,166	2,151	2,165
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	1,310	1,292	1,276	1,235	1,226	1,213	1,213	1,154	1,104	1,102

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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Dave Yost • Auditor of State

NORTHWEST LOCAL SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 27, 2011**