

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Cincinnati City School District, Ohio (District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is a city school district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under a locally elected seven member Board of Education and is responsible for the provision of public education to residents of the District. The District also provides both special education and career/technical education for residents of the District.

The District is the third largest in the State of Ohio and includes the cities of Cincinnati and Cheviot, and the villages of Amberley and Golf Manor, most of the city of Silverton, and part of each of the following: the city of Wyoming, the village of Fairfax and the townships of Anderson, Columbia, Delhi, Green and Springfield. The District's total area is approximately 90 square miles. As of June 30, 2012, the District employed 4,201 employees, including 3,219 certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, and functions for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing board and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Fiduciary funds, except for agency funds, are reported using the economic resources measurement focus. Agency funds do not have a measurement focus due to their custodial nature (assets equal liabilities).

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "current financial resources" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

Schoolwide Building Program Fund - This fund is used to pool Federal, State and local funds in order to upgrade the overall instructional program of a school building where at least 40 percent of the children are from low-income families.

Debt Service Fund - This fund is used to account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

Classroom Facilities Fund - The Classroom Facilities capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

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

Proprietary Fund - The proprietary fund is accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis. The Self Insurance Fund accounts for the premiums and claims payments applicable to the employee health and dental plans.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The District has two types of fiduciary funds: a private-purpose trust fund and an agency fund. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust that accounts for scholarship programs for students. The private purpose trust fund is accounted for on an "economic resources" measurement focus. The District's agency fund accounts for various student-managed activity programs. The agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees, and interest on investments.

Current property taxes measurable at June 30, 2012, and which are not intended to finance fiscal 2012 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds and the fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

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.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include 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. 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 fiscal 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.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. Funds that exist only on a modified accrual basis are not required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Supplemental budgetary modifications may only be made by resolution of the Board of Education.

1. Tax Budget

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement, as final budget, reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2012.

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by management. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. Amounts for advances between funds are not required to be and are not appropriated by the District. In addition, due to the nature of the District's procedures for the funding of payroll expenditures through a holding account, certain transfers are also not formally appropriated. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, modified for the aforementioned advances and transfers, including all amendments and modifications.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are also recorded as the equivalent of expenditures on the budgetary basis.

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

	Net Change in Fund Balance	
	General Fund	Schoolwide Building Program Fund
GAAP Basis (as reported)	(\$16,525,271)	\$401,513
Increase (Decrease):		
Accrued Revenues at June 30, 2012, received during FY 2013	(34,932,722)	0
Accrued Revenues at June 30, 2011, received during FY 2012	30,192,908	0
Accrued Expenditures at June 30, 2012, paid during FY 2013	24,992,521	80,902
Accrued Expenditures at June 30, 2011, paid during FY 2012	(11,332,053)	(5,915,272)
Interfund Activity 2012	599,820	465,028
Encumbrances Outstanding	(8,130,052)	(626,370)
Budget Basis	(\$15,134,849)	(\$5,594,199)

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity when purchased of three months or less to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the District's pooled cash and investments.

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 5, "Cash, Cash Equivalents and Investments."

The District has invested funds in the STAR Ohio during 2012. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2012. See Note 5, "Cash, Cash Equivalents and Investments."

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds. The costs of inventory items are recorded as expenditures in the governmental funds when used. The amounts of unused commodities are reported at fair value and as deferred revenue, since title does not pass to the District until the commodities are used.

I. Capital Assets and Depreciation

1. Property, Plant and Equipment - Governmental Activities

Capital assets acquired or constructed for governmental activities are recorded as expenditures in the governmental funds when acquired and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the Government-wide Statement of Net Assets.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities (Continued)

Contributed capital assets are recorded at fair market value at the date received. The District capitalizes costs of capital assets exceeding \$25,000 (non-Federal Funds) and \$5,000 for assets purchased with Federal Funds. Capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Depreciation

All capital assets, except land and construction in progress, are depreciated. Land improvements that deteriorate with use or the passage of time, such as parking lots and fences, are considered depreciable. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Land Improvements	20
Buildings and Improvements	20 - 45
Furniture, Fixtures and Equipment	7 - 20
Vehicles	5

J. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Capital Leases	Debt Service Fund
Compensated Absences	General Fund, Food Services Fund

K. Compensated Absences

GASB Statement No. 16 specifies that compensated absences should be accrued as employees earn them if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment. The District includes in its liabilities any employee who has at least 20 years of service or an employee who has five years of service and is at least 60 years of age.

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

	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
<u>Vacation:</u> How Earned	Not Eligible	2.7 days per month of employment (27 days per year)	.84 days to 1.67 days per month of employment (10 to 20 days per year) depending on length of service.
Maximum Accumulation	Not Applicable	54 days	2 times the yearly accrual plus current year's accumulation
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave:</u> How Earned	1.25 days month of employment (15 days per year. If 96% attendance, then 1 additional day.	1.25 days month of employment (15 days per year.	1.25 days month of employment (15 days per year.
Maximum Accumulation	Unlimited	Unlimited	Unlimited
Vested	As Earned	As Earned	As Earned
Termination Entitlement	½ paid upon retirement or upon death with minimum service requirement. ¼ for all new hires after 6/30/04.	½ paid upon retirement or upon death with minimum service requirement. ¼ for all days earned after 9/1/01.	½ paid upon retirement or upon death with minimum service requirement. ¼ for all new hires after 6/30/04.
<u>Personal Leave:</u> How Earned	3 days granted as of August 1	3 days granted as of August 1	3 days granted as of August 1
Maximum Accumulation	Not Applicable Converted to sick leave on August 1	Not Applicable Converted to sick leave on August 1	Not Applicable Converted to sick leave on August 1
Vested	Not Applicable	Not Applicable	Not Applicable
Termination Entitlement	Not Applicable	Not Applicable	Not Applicable

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

Compensated absences accumulated by governmental fund type employees are retired as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the fund financial statements.

L. 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.

M. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

N. 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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. Restricted Assets

Restricted assets in the governmental funds represent cash and cash equivalents set aside to establish a budget stabilization reserve, amounts set aside for debt retirement purposes and amounts to be utilized for capital improvements. The budget stabilization reserve is required by State statute and can be used only after receiving approval from the Board of Education.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Estimates

The preparation of the 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 could differ from those estimates.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund charges for the internal service fund. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

S. Revenue in Lieu of Taxes

Revenue in Lieu of Taxes are monies received, via agreements with the City of Cincinnati, Hamilton County and certain townships that overlap the District, in an attempt to “make whole” tax revenues that were lost via abatements, enterprise zones or Tax Increment Financing plans created within their jurisdictions.

This space left blank intentionally.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 2 – FUND BALANCES

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

Fund Balances	General Fund	Schoolwide Building Program	Debt Service	Classroom Facilities Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$0	\$0	\$0	\$0	\$124,602	\$124,602
Unclaimed Monies	190,019	0	0	0	0	190,019
Endowment	0	0	0	0	768,034	768,034
Total Nonspendable	<u>190,019</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>892,636</u>	<u>1,082,655</u>
Restricted:						
Targeted Assistance	0	80,440	0	0	13,367,868	13,448,308
Non-Public School Assistance	0	0	0	0	2,000,717	2,000,717
Food Service	0	0	0	0	5,808,088	5,808,088
Construction and Maintenance	0	0	0	79,363,954	56,291,335	135,655,289
Debt Service	0	0	28,654,095	0	0	28,654,095
Total Restricted	<u>0</u>	<u>80,440</u>	<u>28,654,095</u>	<u>79,363,954</u>	<u>77,468,008</u>	<u>185,566,497</u>
Assigned to Other Purposes	5,338,695	0	0	0	0	5,338,695
Unassigned	125,977,166	0	0	0	(1,644,897)	124,332,269
Total Fund Balances	<u>\$131,505,880</u>	<u>\$80,440</u>	<u>\$28,654,095</u>	<u>\$79,363,954</u>	<u>\$76,715,747</u>	<u>\$316,320,116</u>

This space left blank intentionally.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlays exceeded depreciation in the current period:

Capital Asset Additions	\$127,851,031
Depreciation Expense	<u>(19,034,446)</u>
	\$108,816,585

Governmental revenues not reported in the funds:

Decrease in Delinquent Tax Revenue	(\$11,511,403)
Increase in Accounts Receivable	130,925
Decrease in Interest Receivable	(36,398)
Decrease in Grants Receivable	<u>(529,870)</u>
	(\$11,946,746)

Net amount of long-term bond issuance and principal payments:

Bond Principal Payment	\$12,720,000
General Obligation Bond Issuance	(26,250,000)
Capital Lease Payment	<u>6,995,000</u>
	(\$6,535,000)

Interest expense not reported in the funds:

Increase in accrued interest on long term debt	(\$102,613)
Amortization of Bond Premium	4,089,630
Amortization of Deferred Loss on Defeasance	(1,563,135)
Amortization of Bond Issuance Costs	<u>(529,413)</u>
	\$1,894,469

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 4 – DEFICIT FUND EQUITIES

The fund deficits at June 30, 2012 of \$249,670 in the Title VI-B Fund, \$1,245,929 in the ARRA Fund and of \$149,298 in the Miscellaneous Federal Grants Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides operating transfers when cash is required, not when accruals occur.

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$258,364,599 and the bank balance was \$265,369,164. The Federal Deposit Insurance Corporation (FDIC) covered \$750,000 of the bank balance and \$264,619,164 was insured by collateralized securities held by the pledging institution's trust department in the District's name.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The District's investments at June 30, 2012 were as follows:

	Fair Value	Credit Rating as of June 30, 2012	Investment Maturities (in Years)	
			less than 1	1-3
STAR Ohio	\$666,476	AAAm ²	\$666,476	\$0
Freddie Mac	11,007,650	Aaa ¹ , AA+ ²	0	11,007,650
FNMA	12,762,572	Aaa ¹ , AA+ ²	4,505,175	8,257,397
FFCB	27,749,450	Aaa ¹ , AA+ ²	1,251,295	26,498,155
FHLB	34,033,041	Aaa ¹ , AA+ ²	21,549,981	12,483,060
Common Stock	673,463	N/A	0	0
Total Investments	<u>\$86,892,652</u>		<u>\$27,972,927</u>	<u>\$58,246,262</u>

¹ Moody's Investor Service

² Standard & Poor's

Interest Rate Risk – The District's formal policy relating to interest rate risk follows the Ohio Revised Code which generally limits security purchases to those that mature within five years of settlement date.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, .7% are Star Ohio, 12.7% are Freddie Mac, 14.7% are FNMA, 31.9% are FFCB, 39.2% are FHLB and .8 % are common stock (all donated).

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

Credit Risk – The District has not formally adopted its own investment policy but does follow the Ohio Revised Code (ORC) which limits the amount of credit risk it's going to allow any governmental entity to become involved in. It accomplishes this by compiling a specific list of investments, to the exclusion of all other investments, which governmental entities are legally allowed to participate in. The District further minimizes its credit risk by placing most of its available funds in obligations of the US Government or its Agencies; STAR Ohio, which is comprised mostly of US Government and Agency obligations and is specifically authorized and endorsed by the Ohio State Treasurer.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	Pooled Cash and Investments *	Investments
Per Combined Balance Sheet	\$344,583,788	\$673,463
U.S. Government Securities	(85,552,713)	85,552,713
STAR Ohio	(666,476)	666,476
Per GASB Statement No. 3	<u>\$258,364,599</u>	<u>\$86,892,652</u>

* - Includes restricted pooled cash and investments

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 6 - PROPERTY TAXES (Continued)

Public utility property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2012 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2012 was \$34,595,000 in the general fund and \$3,780,000 in the debt service fund. The amount available as an advance at June 30, 2011, was \$29,549,178 in the general fund and \$3,039,866 in the debt service fund.

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

NOTE 7 - RECEIVABLES

Receivables at June 30, 2012 consisted of taxes, accounts receivable, interest receivable, interfund and intergovernmental receivables.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds at June 30, 2012:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$5,234,143	\$134,096,710
Schoolwide Building Program Fund	121,088,023	5,000,000
Debt Service Fund	16,502,079	0
Classroom Facilities Capital Projects Fund	0	35,260,795
Other Governmental Funds	42,973,999	11,440,739
Total All Funds	<u>\$185,798,244</u>	<u>\$185,798,244</u>

Transfers are used to (a) 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 to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Fund provided transfers of \$16,502,079 to the Debt Service Fund for the retirement of various debt issues, \$7,000,000 to the Classroom Facilities Maintenance Fund to provide operating funds and \$110,594,631 to cover the expenditures of the Schoolwide Building Program Fund. The Classroom Facilities Capital Projects Fund transferred \$35,260,795 to the Building Capital Projects Fund to reimburse interest costs per the Ohio School Facilities Commission Grant. Other governmental funds' transfers consisted of various transfers to and from other funds to and from the Schoolwide Building Program Fund for current year funding and to return funds originally utilized to establish the Schoolwide Building Program Fund.

NOTE 9 - INTERFUND RECEIVABLES/PAYABLES

Interfund loans receivable/payable and advances to/from other funds at June 30, 2012 from one individual fund to another are as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$11,166,187	\$7,078,519
Schoolwide Building Program Fund	0	465,028
Debt Service Fund	0	649,227
Other Governmental Funds	2,782,050	5,755,463
Total	<u>\$13,948,237</u>	<u>\$13,948,237</u>

The interfund balances represent amounts due between funds resulting from timing differences.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 10 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2012:

Historical Cost:

Class	June 30, 2011	Additions	Deletions	June 30, 2012
Capital Assets Not Being Depreciated:				
Land	\$37,249,030	\$911,883	(\$776,137)	\$37,384,776
Construction In Progress	178,590,342	81,419,019	(46,734,838)	213,274,523
Subtotal	<u>215,839,372</u>	<u>82,330,902</u>	<u>(47,510,975)</u>	<u>250,659,299</u>
Capital Assets Being Depreciated:				
Land Improvements	9,092,640	1,212,057	0	10,304,697
Buildings and Improvements	782,952,105	91,042,910	(10,209,031)	863,785,984
Furniture, Fixtures, and Equipment	7,438,538	0	(2,896,139)	4,542,399
Vehicles	824,267	0	0	824,267
Subtotal	<u>800,307,550</u>	<u>92,254,967</u>	<u>(13,105,170)</u>	<u>879,457,347</u>
Total Cost	<u>\$1,016,146,922</u>	<u>\$174,585,869</u>	<u>(\$60,616,145)</u>	<u>\$1,130,116,646</u>
Accumulated Depreciation:				
Class	June 30, 2011	Additions	Deletions	June 30, 2012
Land Improvements	(\$7,670,408)	(\$159,845)	\$535	(\$7,829,718)
Buildings and Improvements	(110,466,961)	(18,778,640)	6,939,560	(122,306,041)
Furniture, Fixtures, and Equipment	(2,721,835)	(59,666)	206,867	(2,574,634)
Vehicles	(720,646)	(36,295)	0	(756,941)
Total Depreciation	<u>(\$121,579,850)</u>	<u>(\$19,034,446)*</u>	<u>\$7,146,962</u>	<u>(\$133,467,334)</u>
Net Value:	<u>\$894,567,072</u>			<u>\$996,649,312</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction:	
Regular	\$439,689
Special	4,152
Vocational	5,096
Support Services:	
Pupils	42,472
Instructional Staff	982
Fiscal Services	12
Operation and Maintenance of Plant	168,628
Other Noninstructional Services	18,373,415
Total Depreciation Expense	<u>\$19,034,446</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 11- DEFINED BENEFIT PENSION PLANS

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

A. School Employee Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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 on SERS' website, www.ohsers.org under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.7 percent. The remaining 1.3 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$9,341,956, \$6,379,446 and \$7,819,678 respectively, which were equal to the required contributions for each year.

B. State Teachers Retirement System

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 11- DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2011, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010 were \$24,160,847, \$23,222,271, and \$25,424,903 respectively; which were equal to the required contributions for each year.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2012, three member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program.

The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website, www.ohsers.org under Employers/Audit Resources.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2012, 0.55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2012, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$404,573, \$772,448, and \$2,605,000 respectively; which were equal to the required contributions for each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$551,690, \$410,532, and \$809,895 respectively; which were equal to the required contributions for each year.

B. State Teachers Retirement System

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

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012***

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$1,858,527, \$1,786,329, and \$2,633,293 respectively; which were equal to the required contributions for each year.

This space left blank intentionally.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 13- LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the long-term debt of the District for the year ended June 30, 2012 is as follows:

		Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012	Amount Due Within One Year
School Improvement	0.970%	\$5,000,000	\$0	\$0	\$5,000,000	\$0
(Original Issue Amount = \$5,000,000)						
School Improvement	3.25-5.375%	34,990,000	0	(10,185,000)	24,805,000	12,075,000
(Original Issue Amount = \$480,000,000)						
School Improvement Refunding	3.0-5.0%	68,765,000	0	0	68,765,000	6,285,000
(Original Issue Amount = \$69,405,000)						
School Improvement Refunding	4.0-5.25%	362,175,000	0	(2,535,000)	359,640,000	3,665,000
(Original Issue Amount = \$380,945,000)						
School Improvement Refunding	2.5-5.25%	104,900,000	0	0	104,900,000	4,325,000
(Original Issue Amount = \$104,900,000)						
Energy Conservation	5.439%	21,715,000	0	0	21,715,000	0
(Original Issue Amount = \$21,715,000)						
Energy Conservation	4.991%	3,000,000	0	0	3,000,000	0
(Original Issue Amount = \$3,000,000)						
Energy Conservation	5.150%	0	26,250,000	0	26,250,000	0
(Original Issue Amount = \$26,250,000)						
Sub-Total General Obligation Bonds		600,545,000	26,250,000	(12,720,000)	614,075,000	26,350,000
Premium General Obligation Bond		48,826,756	0	(2,839,070)	45,987,686	2,839,070
Deferred Loss on Refunding		(25,059,174)	0	1,563,135	(23,496,039)	(1,411,902)
Total General Obligation Bonds		624,312,582	26,250,000	(13,995,935)	636,566,647	27,777,168
Capital Leases Payable	4.0-5.0%	113,710,000	0	(6,995,000)	106,715,000	900,000
Premium on Capital Lease		1,250,560	0	(1,250,560)	0	0
Total Capital Leases Payable		114,960,560	0	(8,245,560)	106,715,000	900,000
Compensated Absences		55,036,867	6,061,463	(6,625,385)	54,472,945	12,524,672
Total Governmental Long-Term Debt		\$794,310,009	\$32,311,463	(\$28,866,880)	\$797,754,592	\$41,201,840

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 13- LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements including principal and interest payments as of June 30, 2012 follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2013	\$26,350,000	\$30,591,246	\$56,941,246
2014	28,048,000	29,385,481	57,433,481
2015	30,056,000	28,044,921	58,100,921
2016	26,246,000	26,735,746	52,981,746
2017	32,550,000	25,468,621	58,018,621
2018-2022	148,410,000	106,190,744	254,600,744
2023-2027	159,965,000	69,257,044	229,222,044
2028-2032	162,450,000	27,736,177	190,186,177
Totals	<u>\$614,075,000</u>	<u>\$343,409,980</u>	<u>\$957,484,980</u>

B. Defeased Debt

In September 2006, the District partially refunded \$397,305,000 of General Obligation Bonds for School Improvement, dated May 6, 2003, original issue amount \$480,000,000, through the issuance of \$380,945,000 of General Obligation Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$397,305,000 at June 30, 2012, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 13- LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)

B. Defeased Debt (Continued)

In July 2005, the District refunded \$70,095,000 of General Obligation Bonds for School Improvement Series 2001, through the issuance of \$69,405,000 of General Obligation Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$70,095,000, at June 30, 2012, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

In May 2010, the District refunded \$93,495,000 of General Obligation Bonds for School Improvement Series 2002, original issue amount of \$120,000,000, through the issuance of \$104,900,000 of School Improvement Refunding Bonds, Series 2010. Proceeds in the amount of \$103,964,664 from the 2010 Refunding Bond have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$77,685,000, at June 30, 2012, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - CAPITAL LEASE COMMITMENT

The District is party to one lease, for various school facilities, that meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. The costs of the leased assets are accounted for in the Governmental Activities Capital Assets and the related liabilities in the Governmental Activities Long-Term Liabilities. The original cost of the assets under capital lease is \$120,365,000. The leased assets are recorded as buildings within the Capital Asset Footnote.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 14 - CAPITAL LEASE COMMITMENT (Continued)

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2012:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2013	\$6,192,362
2014	6,194,387
2015	6,189,909
2016	6,184,788
2017	6,182,288
2018-2022	30,901,531
2023-2027	54,581,375
2028-2032	58,535,625
2033	11,705,500
Minimum Lease Payments	186,667,765
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(79,952,765)</u>
Present value of minimum lease payments	<u>\$106,715,000</u>

NOTE 15 - 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; and natural disasters. The District maintains comprehensive insurance coverage with private carriers for real property, boilers and machinery, building contents, general/Board liability and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real Property and contents are covered with a \$250,000 deductible.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

For fiscal year 2012 the District participated in the Ohio Bureau of Workers Compensation Retrospective Rating Program, which requires a minimum 31% annual premium payment plus actual claims from District employees for the prior 10 calendar years. The cost for Workers Compensation claims paid in fiscal year 2012 was \$1,087,701. The premium cost paid in fiscal year 2012 was \$1,125,508. Premium cost is for administrative charges for Ohio Bureau of Workers Compensation. In addition to the claims paid during fiscal year 2012, the Ohio Bureau of Workers Compensation established a reserve of \$1,982,066 for future claim payments.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 15 - RISK MANAGEMENT (Continued)

The District is self insured for employee health care. The District began accounting for the self-insurance in a separate Internal Service Fund in 2001. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on a rate of 23.69% of gross payroll. Incurred but not reported liabilities (IBNR's) are determined by the Actuarial Firm of Timothy P. Berghoff, FSA, MAAA. For the fiscal year ending June 30, 2012, the IBNR's were determined to be \$2,883,000.

Changes in the fund's claims liability amount in 2012 and 2011 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2011	\$2,605,000	\$47,140,097	(\$46,384,097)	\$3,361,000
2012	3,361,000	44,715,808	(45,193,808)	2,883,000

Dental insurance is offered to employees through Dental Care Plus. Total Premiums paid to Dental Care Plus were \$2,174,103. Dental Care Plus does not require an employee payroll deduction.

The District offered to all employees who worked a minimum of sixty-percent of full time a benefit called Benefit Bank. Each non-AFSCME employee that qualified was given \$350 on January 2 each year and employees that are married or have dependents could receive an additional \$75 if they return the application for additional funds. AFSCME employees received \$75, with an additional \$25 with completion of the application for additional funds. Substitute teachers also qualified for a \$300 benefit if in the prior school year the substitute teacher worked at least eighty-five days and returned to teach in the current school year. The Benefit Bank pays for any medical related expense that is not paid for by Humana or by Dental Care Plus. Also, any expense related to optical service such as glasses or eye exams can be submitted for reimbursement from the employees benefit bank balance.

Effective with the collective bargaining agreements that were negotiated in FY11, Benefit Bank ended and a new Wellness Program created.

CFT, ACPSOP and Building Trades have a deadline of June 30, 2012 to spend any remaining Benefit Bank dollars from previous years and must submit claims by June 30, 2012. There is not currently a deadline for CAAS, AFSCME or IUOE to use their remaining Benefit Bank dollars. The Benefit Bank obligations to employees as of June 30, 2012 were fully funded.

The CPS Wellness Works Program began January 1, 2012 and is managed by TriHealth (3rd party administrator), with a CPS Wellness Coordinator running the program and scheduling the events, such as health screenings, flu shots, walking logs, etc. Qualifying wellness activities are promoted on CPS's StaffNet home page and on TriHealth's website.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 15 - RISK MANAGEMENT (Continued)

With the CPS Wellness Works program, benefit eligible employees (and their spouse) must complete wellness activities during a calendar year (deadline December 31), which earns the employee dollars. Wellness activities have a specific dollar value associated with each activity. CPS Wellness Works program has a scorecard with the list of approved activities. Each benefits eligible employee/spouse can earn up to \$500 per calendar year. TriHealth will notify Benesyst of how many wellness dollars each employee/spouse earned during the year. The money will be loaded on the Benny Card for use by the end of March.

There is a \$1,500 maximum limit that applies to both single and joint accounts. Once a Benny account reaches \$1,500, no further dollars will be credited to it.

The Benesyst Benny Card is a MasterCard that can be used at eligible providers to pay for HRA-eligible healthcare expenses. When an employee used the Benny Card, they need to keep the receipts for those services or products. IRS regulations may require evidence that the claim is for an HRA-eligible expense. Employees may swipe their card at a provider's or a paper claim may be filed with Benesyst, for reimbursement of paid medical expenses.

NOTE 16 – STATUTORY RESERVES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year 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 fiscal year end set aside amount for capital acquisition. Disclosure of this information is required by State statute.

	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2011	\$0
Current Year Set-Aside Requirement	5,592,103
Current Year Offset Credits	(8,120,284)
Qualifying Disbursements	<u>(43,245,483)</u>
Total	<u><u>(\$45,773,664)</u></u>
Balance Carried Forward to FY 2013	<u><u>\$0</u></u>

While the qualifying disbursements during the fiscal year reduced the capital improvement set-aside amount to below zero, this amount may not be used to reduce the set-aside requirements of future fiscal years. Effective July 1, 2011, the textbook set aside is no longer required and has been removed from existing law.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 17 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2012.

B. Litigation

The District is party to legal proceedings. The District's management is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

C. Statewide Audit of Student Attendance Data

The Auditor of State (AOS) issued its *Statewide Audit of Student Attendance Data and Accountability System* on February 11, 2013, a statewide assessment of school year 2010-11 student attendance and enrollment practices for select Ohio schools. AOS has referred the Cincinnati City School District as a district with evidence of scrubbing to the Ohio Department of Education (ODE) and U.S. Department of Education Office of the Inspector General (IG) for further investigation and recalculation of the school report cards. The ODE and IG have not yet determined the impact of these results.

NOTE 18 - CONTRACTUAL COMMITMENTS

As of June 30, 2012, the District had entered into various construction contracts for renovations and improvements which it had a remaining unperformed and unpaid total commitment of approximately \$96.1 million.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.*

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Nonmajor Governmental Funds

Special Revenue Funds

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

Food Service Fund

A fund used to record financial transactions related to food service operations.

Other Grants Fund

Used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specific purposes.

Classroom Facilities Maintenance Fund

Used to account for the proceeds of a levy for the maintenance of facilities.

Auxiliary Services Fund

Used to account for monies that provide services and materials to pupils attending non-public schools within the District.

Title VI B – Special Education Assistance Fund

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

ARRA Fund

Used to account for ARRA (American Recovery and Reinvestment Act) funds as a result of the Federal economic stimulus package enacted in 2011 to help stabilize budgets and to avoid reductions in education and essential services. Monies are used primarily for education reform, enhanced student academic achievement and general school improvements with an emphasis on improved teacher effectiveness, technological systems and equipment and progress tracking. The District maintains three related funds (Education Stabilization, Technology – ARRA Title II-D (Formula) and (Competitive) and ARRA School Improvement – Title I) which are being reported as a single ARRA Fund.

Chapter I – Education Consolidation and Improvement Act Fund

Used to account for federal funds for services provided to meet special education needs of educationally deprived children. This includes the following federal programs; Even Start, Capital Expense, Title One and Homeless Children Education.

Special Revenue Funds

Miscellaneous Federal Grants Fund

Used to account for various monies received through State agencies from the Federal Government or directly from the Federal Government which are not classified elsewhere. A separate cost center must be used for each grant.

Other Special Revenue Funds

The District maintains 30 special revenue funds. For reporting purposes, the District combines the 19 smallest funds into a fund titled "Other Special Revenue Funds". These combined funds account for less than ten percent (10%) of expenditures for all special revenue funds.

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, other than those financed by proprietary or trust funds.

Permanent Improvement Fund

Used to account for all transactions related to the acquiring, construction or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

Building Fund

Used to account for revenues and expenditures related to all special bond funds in the District.

Replacement Fund

Used to account for monies used in the rebuilding, restoration or improvement of property, which has been totally or partially destroyed due to any cause.

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Permanent Fund

The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the District's programs.

Permanent Fund

A fund used to account for money, securities, or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 37,564,044	\$ 20,572,823	\$ 1,021,416	\$ 59,158,283
Investments	5,880	0	234,430	240,310
Receivables:				
Accounts	476,184	848,473	0	1,324,657
Intergovernmental - State and Local	450,887	0	0	450,887
Intergovernmental - Federal	28,456,843	0	0	28,456,843
Interest	0	32,256	0	32,256
Advances to Other Funds	22,310	2,759,740	0	2,782,050
Inventory of Supplies at Cost	99,985	0	0	99,985
Inventory Held for Resale	24,617	0	0	24,617
Restricted Assets:				
Cash and Cash Equivalents	0	25,873,152	0	25,873,152
Total Assets	\$ 67,100,750	\$ 50,086,444	\$ 1,255,846	\$ 118,443,040
Liabilities:				
Accounts Payable	\$ 3,182,722	\$ 2,059,485	\$ 93	\$ 5,242,300
Accrued Wages and Benefits	4,322,133	103,348	0	4,425,481
Intergovernmental Payable	1,440,322	34,441	0	1,474,763
Interfund Loans Payable	5,421,220	0	0	5,421,220
Advances from Other Funds	334,243	0	0	334,243
Deferred Revenue	24,814,091	15,195	0	24,829,286
Total Liabilities	39,514,731	2,212,469	93	41,727,293
Fund Balances:				
Nonspendable	124,602	0	768,034	892,636
Restricted	29,106,314	47,873,975	487,719	77,468,008
Unassigned	(1,644,897)	0	0	(1,644,897)
Total Fund Balances	27,586,019	47,873,975	1,255,753	76,715,747
Total Liabilities and Fund Balances	\$ 67,100,750	\$ 50,086,444	\$ 1,255,846	\$ 118,443,040

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2012***

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Tuition	\$ 744,012	\$ 0	\$ 0	\$ 744,012
Investment Earnings	138,122	241,590	8,326	388,038
Food Services	1,707,174	0	0	1,707,174
Intergovernmental - State	10,932,476	0	0	10,932,476
Intergovernmental - Federal	74,126,043	0	0	74,126,043
All Other Revenue	11,685,819	5,908,555	0	17,594,374
Total Revenue	99,333,646	6,150,145	8,326	105,492,117
Expenditures:				
Current:				
Instruction:				
Regular	8,846,620	0	19,338	8,865,958
Special	12,721,395	0	0	12,721,395
Vocational	939,001	11,126	0	950,127
Other	558,733	0	0	558,733
Supporting Services:				
Pupils	4,576,516	0	0	4,576,516
Instructional Staff	21,546,085	0	0	21,546,085
Administration	5,782,292	0	0	5,782,292
Fiscal Services	859,779	2,834	0	862,613
Business	76,028	62,786	0	138,814
Operation & Maintenance of Plant	5,778,884	8,843,351	0	14,622,235
Pupil Transportation	242,474	0	0	242,474
Central	230,603	181,314	0	411,917
Operation of Non-Instructional Services	27,961,882	0	0	27,961,882
Extracurricular Activities	1,826,412	0	0	1,826,412
Capital Outlay	61,552	36,863,809	0	36,925,361
Debt Service:				
Interest & Fiscal Charges	0	373,905	0	373,905
Total Expenditures	92,008,256	46,339,125	19,338	138,366,719

CINCINNATI CITY SCHOOL DISTRICT, OHIO

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	7,325,390	(40,188,980)	(11,012)	(32,874,602)
Other Financing Sources (Uses):				
Issuance of General Obligation Bonds	0	26,250,000	0	26,250,000
Transfers In	7,713,204	35,260,795	0	42,973,999
Transfers Out	(11,440,739)	0	0	(11,440,739)
Total Other Financing Sources (Uses)	<u>(3,727,535)</u>	<u>61,510,795</u>	<u>0</u>	<u>57,783,260</u>
Net Change in Fund Balance	3,597,855	21,321,815	(11,012)	24,908,658
Fund Balances at Beginning of Year	<u>23,988,164</u>	<u>26,552,160</u>	<u>1,266,765</u>	<u>51,807,089</u>
Fund Balances End of Year	<u>\$ 27,586,019</u>	<u>\$ 47,873,975</u>	<u>\$ 1,255,753</u>	<u>\$ 76,715,747</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012**

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services
Assets:				
Equity in Pooled Cash and Investments	\$ 6,816,955	\$ 7,436,299	\$ 8,875,585	\$ 2,498,615
Investments	0	0	0	0
Receivables:				
Accounts	5,915	349,905	116,455	0
Intergovernmental - State and Local	0	355,006	0	0
Intergovernmental - Federal	0	0	0	0
Advances to Other Funds	0	19,442	0	0
Inventory of Supplies at Cost	99,985	0	0	0
Inventory Held for Resale	24,617	0	0	0
Total Assets	\$ 6,947,472	\$ 8,160,652	\$ 8,992,040	\$ 2,498,615
Liabilities:				
Accounts Payable	\$ 62,574	\$ 211,776	\$ 121,758	\$ 87,141
Accrued Wages and Benefits	695,740	333,496	339,714	308,088
Intergovernmental Payable	231,851	111,136	113,208	102,669
Interfund Loans Payable	0	0	0	0
Advances from Other Funds	0	0	0	0
Deferred Revenue	24,617	256,129	0	0
Total Liabilities	1,014,782	912,537	574,680	497,898
Fund Balances:				
Nonspendable	124,602	0	0	0
Restricted	5,808,088	7,248,115	8,417,360	2,000,717
Unassigned	0	0	0	0
Total Fund Balances (Deficit)	5,932,690	7,248,115	8,417,360	2,000,717
Total Liabilities and Fund Balances	\$ 6,947,472	\$ 8,160,652	\$ 8,992,040	\$ 2,498,615

CINCINNATI CITY SCHOOL DISTRICT, OHIO

<u>Title VI-B</u>	<u>ARRA</u>	<u>Chapter I</u>	<u>Miscellaneous Federal Grants</u>	<u>Other Special Revenue</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,279,009	\$ 1,751,538	\$ 2,940,762	\$ 772,254	\$ 5,193,027	\$ 37,564,044
0	0	0	0	5,880	5,880
0	3,000	0	0	909	476,184
0	0	0	0	95,881	450,887
4,878,856	5,455,349	10,461,248	875,770	6,785,620	28,456,843
0	0	0	0	2,868	22,310
0	0	0	0	0	99,985
0	0	0	0	0	24,617
<u>\$ 6,157,865</u>	<u>\$ 7,209,887</u>	<u>\$ 13,402,010</u>	<u>\$ 1,648,024</u>	<u>\$ 12,084,185</u>	<u>\$ 67,100,750</u>
\$ 512,321	\$ 1,137,873	\$ 263,659	\$ 245,208	\$ 540,412	\$ 3,182,722
462,665	219,830	724,334	10,743	1,227,523	4,322,133
154,179	73,256	241,379	3,580	409,064	1,440,322
816,302	2,133,073	1,298,535	773,539	399,771	5,421,220
0	0	0	0	334,243	334,243
4,462,068	4,891,784	8,608,951	764,252	5,806,290	24,814,091
<u>6,407,535</u>	<u>8,455,816</u>	<u>11,136,858</u>	<u>1,797,322</u>	<u>8,717,303</u>	<u>39,514,731</u>
0	0	0	0	0	124,602
0	0	2,265,152	0	3,366,882	29,106,314
(249,670)	(1,245,929)	0	(149,298)	0	(1,644,897)
<u>(249,670)</u>	<u>(1,245,929)</u>	<u>2,265,152</u>	<u>(149,298)</u>	<u>3,366,882</u>	<u>27,586,019</u>
<u>\$ 6,157,865</u>	<u>\$ 7,209,887</u>	<u>\$ 13,402,010</u>	<u>\$ 1,648,024</u>	<u>\$ 12,084,185</u>	<u>\$ 67,100,750</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Special Revenue Funds For the Fiscal Year Ended June 30, 2012

	Food Service	Other Grants	Classroom Facilities Maintenance	Auxiliary Services
Revenues:				
Tuition	\$ 0	\$ 744,012	\$ 0	\$ 0
Investment Earnings	28,497	100,000	0	1,049
Food Services	1,707,174	0	0	0
Intergovernmental - State	975,304	58,047	0	9,445,478
Intergovernmental - Federal	15,477,246	0	0	0
All Other Revenue	11,999	8,054,160	0	1,641
Total Revenue	18,200,220	8,956,219	0	9,448,168
Expenditures:				
Current:				
Instruction:				
Regular	0	1,571,525	0	0
Special	0	129,405	0	0
Vocational	0	3,718	0	0
Other	0	3,785	0	0
Supporting Services:				
Pupils	0	328,193	0	0
Instructional Staff	0	3,909,344	0	0
Administration	0	1,327,267	0	0
Fiscal Services	0	50,423	0	62,915
Business	854	1,350	0	73,824
Operation & Maintenance of Plant	12,898	236,872	5,421,924	0
Pupil Transportation	0	17,660	0	0
Central	0	5,675	0	0
Operation of Non-Instructional Services	16,933,205	349,994	0	7,588,439
Extracurricular Activities	0	10,387	0	0
Capital Outlay	0	53,388	8,164	0
Total Expenditures	16,946,957	7,998,986	5,430,088	7,725,178
Excess (Deficiency) of Revenues Over Expenditures	1,253,263	957,233	(5,430,088)	1,722,990
Other Financing Sources (Uses):				
Transfers In	0	0	7,000,000	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	7,000,000	0
Net Change in Fund Balance	1,253,263	957,233	1,569,912	1,722,990
Fund Balances (Deficit) at Beginning of Year	4,679,427	6,290,882	6,847,448	277,727
Fund Balances (Deficit) End of Year	\$ 5,932,690	\$ 7,248,115	\$ 8,417,360	\$ 2,000,717

CINCINNATI CITY SCHOOL DISTRICT, OHIO

Title VI-B	ARRA	Chapter I	Miscellaneous Federal Grants	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 744,012
0	0	0	0	8,576	138,122
0	0	0	0	0	1,707,174
0	0	0	0	453,647	10,932,476
9,801,605	8,283,895	21,790,790	1,222,067	17,550,440	74,126,043
0	0	0	1,717,295	1,900,724	11,685,819
<u>9,801,605</u>	<u>8,283,895</u>	<u>21,790,790</u>	<u>2,939,362</u>	<u>19,913,387</u>	<u>99,333,646</u>
0	0	51,311	113,887	7,109,897	8,846,620
1,646,613	32,730	9,868,198	785,040	259,409	12,721,395
0	0	0	18,756	916,527	939,001
76,377	0	0	0	478,571	558,733
2,342,429	15,254	348,162	19,367	1,523,111	4,576,516
1,170,020	9,194,940	1,646,847	617,762	5,007,172	21,546,085
1,032,938	99,313	1,580,674	848,477	893,623	5,782,292
143,676	98,340	308,812	42,056	153,557	859,779
0	0	0	0	0	76,028
0	0	7,852	13,500	85,838	5,778,884
0	0	204,543	17,411	2,860	242,474
0	0	0	0	224,928	230,603
1,608,482	4,032	1,452,978	7,591	17,161	27,961,882
0	0	0	0	1,816,025	1,826,412
0	0	0	0	0	61,552
<u>8,020,535</u>	<u>9,444,609</u>	<u>15,469,377</u>	<u>2,483,847</u>	<u>18,488,679</u>	<u>92,008,256</u>
1,781,070	(1,160,714)	6,321,413	455,515	1,424,708	7,325,390
99,117	0	507,485	0	106,602	7,713,204
<u>(2,161,131)</u>	<u>0</u>	<u>(6,195,456)</u>	<u>0</u>	<u>(3,084,152)</u>	<u>(11,440,739)</u>
<u>(2,062,014)</u>	<u>0</u>	<u>(5,687,971)</u>	<u>0</u>	<u>(2,977,550)</u>	<u>(3,727,535)</u>
(280,944)	(1,160,714)	633,442	455,515	(1,552,842)	3,597,855
31,274	(85,215)	1,631,710	(604,813)	4,919,724	23,988,164
<u>\$ (249,670)</u>	<u>\$ (1,245,929)</u>	<u>\$ 2,265,152</u>	<u>\$ (149,298)</u>	<u>\$ 3,366,882</u>	<u>\$ 27,586,019</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2012**

	Permanent Improvement	Building	Replacement	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 7,558,590	\$ 13,013,056	\$ 1,177	\$ 20,572,823
Receivables:				
Accounts	0	848,473	0	848,473
Interest	0	32,256	0	32,256
Advances to Other Funds	0	2,759,740	0	2,759,740
Restricted Assets:				
Cash and Cash Equivalents	<u>25,873,152</u>	<u>0</u>	<u>0</u>	<u>25,873,152</u>
Total Assets	<u>\$ 33,431,742</u>	<u>\$ 16,653,525</u>	<u>\$ 1,177</u>	<u>\$ 50,086,444</u>
Liabilities:				
Accounts Payable	\$ 114,481	\$ 1,945,004	\$ 0	\$ 2,059,485
Accrued Wages and Benefits	688	102,660	0	103,348
Intergovernmental Payable	230	34,211	0	34,441
Deferred Revenue	<u>0</u>	<u>15,195</u>	<u>0</u>	<u>15,195</u>
Total Liabilities	<u>115,399</u>	<u>2,097,070</u>	<u>0</u>	<u>2,212,469</u>
Fund Balances:				
Restricted	<u>33,316,343</u>	<u>14,556,455</u>	<u>1,177</u>	<u>47,873,975</u>
Total Fund Balances	<u>33,316,343</u>	<u>14,556,455</u>	<u>1,177</u>	<u>47,873,975</u>
Total Liabilities and Fund Balances	<u>\$ 33,431,742</u>	<u>\$ 16,653,525</u>	<u>\$ 1,177</u>	<u>\$ 50,086,444</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2012**

	Permanent Improvement	Building	Replacement	Total Nonmajor Capital Projects Funds
Revenues:				
Investment Earnings	\$ 0	\$ 241,590	\$ 0	\$ 241,590
All Other Revenue	0	5,908,555	0	5,908,555
Total Revenue	<u>0</u>	<u>6,150,145</u>	<u>0</u>	<u>6,150,145</u>
Expenditures:				
Current:				
Instruction:				
Vocational	0	11,126	0	11,126
Supporting Services:				
Fiscal Services	0	2,834	0	2,834
Business	0	62,786	0	62,786
Operation & Maintenance of Plant	8,469,735	373,616	0	8,843,351
Central	0	181,314	0	181,314
Capital Outlay	0	36,863,809	0	36,863,809
Debt Service:				
Interest & Fiscal Charges	373,905	0	0	373,905
Total Expenditures	<u>8,843,640</u>	<u>37,495,485</u>	<u>0</u>	<u>46,339,125</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(8,843,640)	(31,345,340)	0	(40,188,980)
Other Financing Sources (Uses):				
Issuance of General Obligation Bonds	26,250,000	0	0	26,250,000
Transfers In	0	35,260,795	0	35,260,795
Total Other Financing Sources (Uses)	<u>26,250,000</u>	<u>35,260,795</u>	<u>0</u>	<u>61,510,795</u>
Net Change in Fund Balance	17,406,360	3,915,455	0	21,321,815
Fund Balances (Deficit) at Beginning of Year	<u>15,909,983</u>	<u>10,641,000</u>	<u>1,177</u>	<u>26,552,160</u>
Fund Balances (Deficit) End of Year	<u>\$ 33,316,343</u>	<u>\$ 14,556,455</u>	<u>\$ 1,177</u>	<u>\$ 47,873,975</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Funds – General Fund
For the Fiscal Year Ended June 30, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 448,109,812	\$ 530,057,897	\$ 450,279,704	\$ (79,778,193)
Total Expenditures and Other Financing Uses	469,530,784	502,907,490	465,414,553	37,492,937
Net Change in Fund Balance	(21,420,972)	27,150,407	(15,134,849)	(42,285,256)
Fund Balances, Beginning of Year	108,232,671	108,232,671	108,232,671	0
Prior Year Encumbrances	16,250,137	16,250,137	16,250,137	0
Fund Balances, End of Year	<u>\$ 103,061,836</u>	<u>\$ 151,633,215</u>	<u>\$ 109,347,959</u>	<u>\$ (42,285,256)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Funds – Special Revenue Fund
For the Fiscal Year Ended June 30, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 129,620,572	\$ 122,245,155	\$ 121,553,051	\$ (692,104)
Total Expenditures and Other Financing Uses	153,692,142	127,361,107	127,147,250	213,857
Net Change in Fund Balance	(24,071,570)	(5,115,952)	(5,594,199)	(478,247)
Fund Balances, Beginning of Year	5,008,999	5,008,999	5,008,999	0
Prior Year Encumbrances	585,200	585,200	585,200	0
Fund Balances, End of Year	<u>\$ (18,477,371)</u>	<u>\$ 478,247</u>	<u>\$ 0</u>	<u>\$ (478,247)</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Funds – Debt Service Fund
For the Fiscal Year Ended June 30, 2012***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 75,882,037	\$ 84,626,662	\$ 8,744,625
Total Expenditures and Other Financing Uses	55,780,821	55,780,821	0
Net Change in Fund Balance	20,101,216	28,845,841	8,744,625
Fund Balances, Beginning of Year	(3,358,453)	(3,358,453)	0
Prior Year Encumbrances	35,714	35,714	0
Fund Balances, End of Year	<u>\$ 16,778,477</u>	<u>\$ 25,523,102</u>	<u>\$ 8,744,625</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Governmental Funds – Capital Projects Fund
For the Fiscal Year Ended June 30, 2012***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 12,309,970	\$ 13,906	\$ (12,296,064)
Total Expenditures and Other Financing Uses	216,099,543	202,137,290	13,962,253
Net Change in Fund Balance	(203,789,573)	(202,123,384)	1,666,189
Fund Balances, Beginning of Year	98,416,516	98,416,516	0
Prior Year Encumbrances	121,976,757	121,976,757	0
Fund Balances, End of Year	<u>\$ 16,603,700</u>	<u>\$ 18,269,889</u>	<u>\$ 1,666,189</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 16,892,975	\$ 16,961,916	\$ 68,941
Total Expenditures and Other Financing Uses	20,726,811	20,326,811	400,000
Net Change in Fund Balance	(3,833,836)	(3,364,895)	468,941
Fund Balances, Beginning of Year	3,538,457	3,538,457	0
Prior Year Encumbrances	1,488,190	1,488,190	0
Fund Balances, End of Year	<u>\$ 1,192,811</u>	<u>\$ 1,661,752</u>	<u>\$ 468,941</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 8,734,370	\$ 8,760,165	\$ 25,795
Total Expenditures and Other Financing Uses	8,760,898	8,751,628	9,270
Net Change in Fund Balance	(26,528)	8,537	35,065
Fund Balances, Beginning of Year	4,971,676	4,971,676	0
Prior Year Encumbrances	1,673,599	1,673,599	0
Fund Balances, End of Year	<u>\$ 6,618,747</u>	<u>\$ 6,653,812</u>	<u>\$ 35,065</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

CLASSROOM FACILITIES MAINTENANCE FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 7,000,000	\$ 7,000,000	\$ 0
Total Expenditures and Other Financing Uses	6,141,653	6,141,653	0
Net Change in Fund Balance	858,347	858,347	0
Fund Balances, Beginning of Year	6,212,546	6,212,546	0
Prior Year Encumbrances	1,055,561	1,055,561	0
Fund Balances, End of Year	<u>\$ 8,126,454</u>	<u>\$ 8,126,454</u>	<u>\$ 0</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	<i>AUXILIARY FUND</i>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 9,448,168</u>	<u>\$ 9,448,168</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>8,937,223</u>	<u>8,857,136</u>	<u>80,087</u>
Net Change in Fund Balance	510,945	591,032	80,087
Fund Balances, Beginning of Year	82,493	82,493	0
Prior Year Encumbrances	<u>1,414,353</u>	<u>1,414,353</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 2,007,791</u>	<u>\$ 2,087,878</u>	<u>\$ 80,087</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 11,133,762	\$ 11,133,762	\$ 0
Total Expenditures and Other Financing Uses	12,481,804	12,481,804	0
Net Change in Fund Balance	(1,348,042)	(1,348,042)	0
Fund Balances, Beginning of Year	39	39	0
Prior Year Encumbrances	1,348,004	1,348,004	0
Fund Balances, End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 0</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	ARRA FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 10,142,240	\$ 10,142,240	\$ 0
Total Expenditures and Other Financing Uses	<u>11,716,772</u>	<u>11,716,772</u>	<u>0</u>
Net Change in Fund Balance	(1,574,532)	(1,574,532)	0
Fund Balances, Beginning of Year	0	0	0
Prior Year Encumbrances	<u>1,574,532</u>	<u>1,574,532</u>	<u>0</u>
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 24,153,149	\$ 24,153,149	\$ 0
Total Expenditures and Other Financing Uses	28,808,205	28,808,205	0
Net Change in Fund Balance	(4,655,056)	(4,655,056)	0
Fund Balances, Beginning of Year	(10,000)	(10,000)	0
Prior Year Encumbrances	4,665,056	4,665,056	0
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CINCINNATI CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012***

MISCELLANEOUS FEDERAL GRANTS FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 3,613,151	\$ 3,613,151	\$ 0
Total Expenditures and Other Financing Uses	4,500,240	4,499,600	640
Net Change in Fund Balance	(887,089)	(886,449)	640
Fund Balances, Beginning of Year	209,640	209,640	0
Prior Year Encumbrances	677,449	677,449	0
Fund Balances, End of Year	<u>\$ 0</u>	<u>\$ 640</u>	<u>\$ 640</u>